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Universal Prosperity.

How to attain it as a people.

By

Edward Wenning

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HOW TO ATTAIN IT AS A PEOPLE

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EDWARD WENNING

Second Edition—Revised

PRESENTING "A FEASIBLE, CONCRETE, INDUSTRIAL PLAN FOR IMMEDIATE INAUGURATION, PRACTICALLY ADAPTABLE TO THE CONDITIONS OF TO-DAY; WHOSE OPERATIONS WILL GRADUALLY BRING ABOUT PERMANENT MATERIAL PROSPERITY, THE RAPID SOLUTION OF THE INDUSTRIAL EVILS, AND RESULT, ULTIMATELY, IN UNIVERSAL SOCIAL ORDER"

CINCINNATI

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By EDWARD WENNING

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PREFACE

IT should be remembered that there are, as it were, two characters to each person — the superficial or temporary, and the fundamental. The superficial is the one nearly always in evidence, the fundamental the one mostly held in abeyance.

With eye to the superficial, there pass before us the Rich, the Poor; the Wise, the Ignorant; the Republican, the Democrat, the Populist, the Socialist, the Nationalist, the Single-taxer, the Prohibitionist; the Landlord, the Capitalist, the Stock-broker, the Merchant, the Manufacturer, the Working-man, the Tramp, the Criminal, the Pauper, etc.

With eye to the fundamental, we see "MEN AND WOMEN" — children of *one* God, souls of *one* common origin.

We wear our superficial character with all the *dis*-grace it is possible, fighting and raging as if we were so many antagonistic elements, jostling and trampling upon one another in one continual warfare of names, fictions, shadows, and misunderstandings, which issue from merely the "masks" we wear. How well we play the hideous part! Like the simple, sweet child, who in sport puts on a brutal "false face," and at once is transmuted into a hideous little fiend, frightening its playmates spite

of their knowledge of the trick, we assume our various masks and become "fools"; wear them so oft and long, and go through the motions and antics so earnestly, till we forget it all is but a hideous part, and automatically continue, even when the mask is laid aside a moment, to act as if it all were *real.*

Do our endless antagonisms of interest, names, opinions, prejudices, and social conditions root any more substantial than in the "masks" we wear, the "parts" we play? Aren't we heart-sick of the farce? How oft "in the stilly night" does not the voice of the true man or woman within our hearts whisper in anguish, "Oh, if I only had the opportunity to be my true self *all the time!*"

Hasn't the clock struck twelve? Isn't it time to unmask?

Or must we still "on with the hideous dance"?

This little book, intensely practical as is its proposition, points out a harmless, smooth way in which we can unmask, without shock. Between the lines, the "still small voice," the heart, sick with fraud, may find all the poetry necessary to give it hope and faith.

The book is addressed not only to business man or working-man as such; to Democrat, Republican, or Populist as such; to Socialist, Reformer, or Neutral as such; but to "MEN AND WOMEN."

THE AUTHOR.

NOTE. — A familiarity with the philosophies of the future state, and the treatises showing the logic of past periods, is in a degree essential to a thorough understanding of the subject of this book. To this end the reader will find in the following a few useful works for a simple course of collateral reading:

"Fabian Essays." With an essay on the Fabian Society and its work by William Clarke, and Introduction by Edward Bellamy. Charles E. Brown & Co., Boston. Cloth, 75c.

"Looking Backward." Edward Bellamy. Houghton, Mifflin & Co., Cambridge, Mass. Paper, 50c.; cloth, $1.

"Socialism and Social Reform." Professor R. T. Ely. T. Y. Crowell & Co., New York. Cloth, $1.50.

"Wealth against Commonwealth." Henry D. Lloyd. Harper & Bros., New York. Cloth, $2.50.

Some small works, dealing with more immediate questions, are:

"Our Country's Need." Professor Frank Parsons. The *Arena* Pub. Co., Boston. Paper, 25c.

"The Philosophy of Mutualism." Professor Frank Parsons. The *Arena* Pub. Co. Paper, 10c.

"Ten Men of Money Island." S. F. Norton, 544 Ogden Avenue, Chicago, Ill. Paper, 10c.

"Seven Financial Conspiracies." Emery & Emery, Lansing, Mich. Paper, 10c.

"Stockwell's Bad Boy." Nonconformist Pub. Co., Indianapolis. Paper, 10c.

"The Cause of Financial Panics." J. W. Bennett, in *Arena*, March, 1894.

"A Revolutionary Railway Company." Albert Griffin, in *Arena*, May, 1894.

UNIVERSAL PROSPERITY

I

ELEMENTS OF PRACTICALITY

TO expound a philosophy, and to present a practical method of putting a philosophy into immediate practice, are two different things. The latter is the specific object before us. It is the endeavor, namely, to present the precise *modus operandi* by means of which we can ultimately remedy the entire category of industrial evils.

So far as the following remarks constitute a philosophy, it is the philosophy of a practical plan, not of the perfect industrial state of the future; the philosophy of a practical beginning and a transit to that state, not the state itself.

It is obvious that nearly all the social evils have their root in the industrial system; there-

fore a correct industrial system will logically lead to a correct social system.

The present condition of the country is one of Danger. Unfortunately three fourths of the people do not actually realize how imminent it is; yet to the careful observer its imminence is an unquestionable fact.

The danger is not limited or local, confined to no locality or class. All classes, all interests, the basic structure of our government itself, are imperiled. So much has been said and written demonstrating this, and ignored, apparently, by most people, that it is unnecessary to here enter into another diagnosis, to be again largely ignored. The nation is in danger of going to pieces while we sit idly by or fall out about abstract theories. The inertia of the so-called intelligent and refined people is nothing less than dangerous — to them and to all the higher fruits of our civilization.

There is a deadlock practically. We are in a state of transition intellectually and morally, but not practically. The crying need is for some practical procedure, consistent with all the circumstances, that will transform the daily activities of the people into a process of progressive transition, to thus provide an avenue of practical progress fundamentally, as distinguished from superficially and partially, and thus to avert the danger by gradual elimination of the evils existing.

Practical propositions of a fundamental na-

ture have not been made that the people as a whole have the immediate ability to put into motion. Philosophies, it is true, have been expounded, but no transitional *modus operandi* are provided that are potentially comprehensive.

It is the purpose of this treatise to expound briefly a plan that will convert our stationary position into one of practical transition. What is essential to such a plan?

Such a plan, to be a right one, must be based upon the idea of progressiveness rather than abruptness, and must regard the country as a whole. The movement it undertakes to embody must not be a class movement or a local one. It must be national. It must permeate all classes, all occupations, all industries. The instrumentalities of the plan must seek to be universal — must shut out no one — must regard the people as an organic whole.

Our danger is due to the evils existing. These evils are fundamentally industrial. The plan is, therefore, an industrial plan.

The industrial system is a disordered one. The disease is manifested in spots on the surface, and in either the partial or entire paralysis of some organs. To treat these superficially, that is, separately, is inadequate. The disease is in the blood. We need to devise a remedy that will purify the blood, purge it of unhealthful elements. In this way the entire industrial system will gradually be

made healthful in consequence of the influence of pure blood circulating through every artery to the remotest part of the system. The point observed here is, that we cannot remove the old arteries and insert new ones — we must use those that exist. We cannot withdraw the old blood, but must inject an element into it which will gradually overcome the impurities and drive them out. The illustration is, of course, only an illustration, and therefore not precise. A general idea only is sought to be given.

An illustration of the diffusiveness and impartiality essential to a comprehensive plan may, perhaps, be had in the postal service. It regards no one, save as an equal citizen. It makes no distinction between classes or individuals — shuts out no one, takes in no one. You may have many letters, you may have few — it regards not you, it regards merely the letters. It blesses no one in particular, blesses us all as a whole. Notice that it imposes no restriction, imparts no favoritism. It is the source of no industrial evil. It is also illustrative of the *comprehensiveness* essential to the plan that aims to be a solution, in that it is co-extensive with the nation, co-extensive with every requirement for its particular service. So must a solution, to be a *solution*, be co-extensive with the industrial system, with all the evils of the system. If the post-office carried letters for a particular class or locality

only, it would but intensify the evils outside of this class or locality. So, if the solution attempted be one limited to one class or locality, it will but serve to intensify the existing evils to those not included. Again this is but a general illustration, and not precise.

The object is to direct attention to the idea that the separate evils of the industrial system are separate only superficially. Fundamentally they have a more or less common origin, and they permeate everywhere. Also to the idea that the solution, or the plan, ought essentially to be one whose application is unlimited and impartial, just as our political institution is based on impartiality. It must disregard, in principle, the distinct demarcation between classes, to intensify which would be an evil.

It appears self-evident that there can be but one solution. There cannot be several. The right one is essentially a thing of oneness. So long as there are many, it is evidence that we have not yet the entirely right one. When we find or construct that one, whatever it may be, it will be found to be an automatic self-propelling one, operating itself by virtue of its inherent power through being right.

Since all process is the operation of natural laws as they affect our industrial affairs, the right plan must necessarily be framed according to the operation of these laws. Law (*natural* law) is no respecter of persons or of

ideas. It is immutable. So far as we disregard it we fail. In devising this plan, that which we should wish or like is subordinate to what *conditions* law imposes.

This is but a reminder of the axiom, "Nothing is ever settled until it is settled right." No matter how often we may think it has been settled, it will "bob" up again until settled right.

Let us approach the situation before us in this spirit, and proceed impartially to discover the right premises.

We discover, then, by deduction from these generalizations, that the plan must be co-extensive, potentially at least, with the entire industrial system; in other words, it must be *comprehensive*. No fundamental evil of the system is at all local. Each evil permeates through every class and occupation, to the remotest parts of the country. An enterprise of a limited nature, such as the recent coöperative propositions (very worthy so far as they go), is not and cannot be a complete solution within any reasonable time. At best, the group isolates or excludes itself from the operation of a certain evil; but the area of the evil is by that much reduced, and proportionately intensified for the rest of the people—not eliminated. Thus, while being an improved productive enterprise (if it really is such), and perhaps a social improvement to those who compose the group, it is not, how-

ever, a solution of any evil. It leaves the question as open as it was before.

Second, we discover that something must be devised that is impartial and diffusive — impartial, so it will be concretely fair to every one; diffusive like sunshine, so it will permeate into the environment of each, and melt away the evils, the burdens, the injustices, the restrictive conditions which fetter and demoralize us.

Comprehensiveness and impartiality being conceded essentials to the plan, the point next in order is to examine what characteristics are requisite to "immediate practicability." Practicable some *future* time, under other than existing environments and obstacles, is quite another thing from being practicable *at once*, under all the circumstances immediately confronting us. Progressiveness — that is to say, gradual procedure — must be reckoned upon. We obtain immediate practicability by overcoming obstacles or by being independent of them.

The chief obstacle appears to be the impossibility of obtaining legislation. Hitherto the accomplishment of nearly every reform appeared to depend upon being applied through legislation. Such a course is quite hopeless for our present purpose. History demonstrates that legislation usually follows twenty to forty years after the people are ripe enough for it. As we are now situated politically, before

legislation can be had in the line of comprehensive reform, or to an extent sufficient to eliminate our dangers and sufferings, the people must be brought to a universal high degree of understanding upon the subject, and thus the popular demand be made overwhelming. The popular inertia must be eliminated. But this inertia and ignorance is itself an evil, due fundamentally to industrial conditions, and one which it must be an express purpose of this plan to remedy, and therefore to be independent of in the beginning, in order to be immediately practicable. It must, therefore, be one capable of being put into practice independently of legislation.

It must, however, obtain a popular support, self-evidently, in order to be comprehensive. It must, therefore, be capable of obtaining this in spite of popular inertia and ignorance. In this connection be it said, the inability to obtain popular support of previous propositions was due to lack of sufficient practicability. In the manner in which people were *conditioned* they were *not able* to coöperate with the reform; no avenue was provided that they could enter into without risk, lesion, or hardship. Others were not directly enough interested, or too uninformed to see their interest. Our plan must, therefore, be not only to the interest of each person, but must provide means of transforming that interest into act. How is this difficult feat to be performed? By

realizing certain practical facts—namely, by observing the precise present condition of people, how that condition influences the manner and direction of their acts (industrially), and what is the factor common to all activities in the industrial sphere. That factor, the source of every act, the motive that is the common propeller of us all, is *self-interest*—selfishness if you please. And the common character we possess (industrially) when exercising self-interest is that of *buyer* and *seller*. Whatever our social or moral feelings may be, we at present possess no power to act industrially other than as buyers and sellers. This is not immoral *per se*. It is an important practical characteristic. If we can devise a plan wherein the buyer and seller as such, to his self-interest as such, finds an avenue immediately open to him, through which he coöperates in the support of the plan, he will assuredly do so, whether he understands much or little about the philosophies of his life and acts. The practical consideration here is, that he becomes a support to, and an instrument in the hands of, this institution, for all the good purposes of the institution. Such practical provisions being immediately present, every one, then, is possessed of the power, and is conditioned, to act freely and without effort in the support of the plan. If, for example, the plan contemplates an ostensibly "buying and selling" institution, there is then

a practical factor common to both the institution and the whole people.

Observe that self-interest is a very important factor. When we mail a letter, for example, had we not the post-office we would mail it another way; but having the post-office we mail it that way and thus support that institution. If, however, a private institution existed that carried letters at a lower rate than the post-office, our self-interest would prevent us from patronizing the post-office, no matter what injury would result to our institutions. The post-office is no less an institution for good because its service is cheap and it appeals to our self-interest. It is primarily an entirely practical institution, and is moral through being practical. Can we take a lesson from this, and devise a plan that succeeds in working out moral results through being practical *first*? It may not appear clear at once what application this paragraph has to the subject in hand. It will appear, however, farther along.

Inasmuch as we are dealing with the industrial system, we have to deal with those in that system; not as free and unincumbered moral human beings, but as variously and peculiarly conditioned self-interested persons in their specific characters of buyer and seller. This character of buyer and seller is peculiar to our present system. It is not our wish; we are simply born to it and can't help it.

I may be a physician, a business man, a

manufacturer, a working-man, a farmer—in each case I am a *seller*. I sell my services or skill, my goods or my labor. Theoretically I exchange, but practically I merely "sell"—in the commercial, business sense. There is no way in which I can exchange except by "selling." As a consumer I am a "buyer," the opposite of a seller.

The future contemplates us as workers in common for common maintenance—from each according to his ability, to each according to his needs; or some other way of expressing economic equality.

Logically prior to that there must be a period of coöperation or mutualism—full and complete coöperation, but not necessarily absolute economic equality. Each producer produces at his will or ability, and exchanges the product, through means provided, for equal value in the product of others. He does not sell and buy in the commercial sense of to-day.

Prior to this is our buying and selling, purely commercial state of to-day.

We cannot leap from one state to another. The transition must be gradual. It may be quite fast, but nevertheless must be *gradual*. This implies a beginning, and that beginning must fit precisely into the present arrangement of affairs—deal with each as buyer and seller (perhaps for only a short time, but must, nevertheless, *begin* so), and appeal to every one's immediate self-interest as such. Beginning

thus, and retaining the constant, spontaneous support of the people in their industrial character, the plan should be to gradually work a quiet and painless rearrangement of industrial affairs. Our plan at *this* end, no matter where we may place the other end, must dovetail into the present — must blend into it. We cannot suddenly separate ourselves from the instruments of production, nor from the existing instrumentalities of the system. We cannot suddenly create a new system. It must be evolved out of the old. We cannot remove the individual — be he professional, manufacturer, working-man, or farmer — from his environment, nor suddenly sweep out of his mind all the opinions due to it. We need his coöperation in working out a solution — it wouldn't be a solution without him; hence we must dovetail our transition plan or process into his environment, and translate our methods into his language, providing commercial methods through which he can act.

Realizing the danger of the deadlock, the futility of changing our skins or escaping from the conditions which pin us each to our particular bread-and-butter occupation, the necessity for a something that will embrace us all, the incompleteness if it doesn't, the evident power of large support if it does, has been the cause of the peculiar character of the preceding reflections.

With these in mind, let us attempt a brief examination of the principles and laws that operate in and govern industrial life. We may find it possible to construct a plan that will be good in result, while at the same time embodying the preceding features of practicability.

II

THE DOMINATING LAW OF ECONOMY

FIRST let us point out the general principle or law which governs the industrial system as a whole; second, the fundamental evils and their cause; third, the precise avenue in which a plan may be most applicable and most obedient to its purposes.

Dominating the industrial system as a whole there is, aside from the influence of mistaken human arrangements, one supreme, immutable law, denominated "the tendency toward more economical production." That this tendency is irresistible by any human power can be clearly traced in industrial affairs of the past. Every protest against the introduction of more economical methods is futile. In their superior power over others there can be no question. Evils have resulted as a consequence, quite truly; but the evils are not due to the law, but to mistaken human arrangements.

This law has brought about all the changes from the simple and crude forms of industry down to the present ones of steam, electricity, machinery, and organization. Whatever tends to greater economy is a conversion of this law into irresistible power in the hands of those who possess it. This is manifested in monopolies, trusts, large factories and stores, large aggregations of working-men and the instruments of production. This power exerts itself through price. These institutions exist because they can produce or sell cheaper. Subordinate factors there may be, but this is the fundamental factor. Large enterprises and large aggregations of capital could not drive others out of business, or throttle them, if they were not able to sell cheaper. Large capital would have no advantage over small capital except for this and for the subordinate iniquitous features of our present financial system.

An evidence that people can and will act *only* out of *immediate* self-interest is furnished by the continued existence and growth of these large institutions. Industrially people do not (as yet, at least) act from moral impulse, nor even from *remote* self-interest. They act solely from *immediate* self-interest. While we theoretically feel and condemn the evils which large enterprises appear to be the source of, we practically flock to their emporiums and make our purchases there, and thus perpetu-

ate them and their evil power — all because we can buy cheaper there. We are so conditioned that we cannot resist the attraction of price.

If a plan to remedy affairs is contemplated it must take the form of some kind of industrial institution. As before explained, it must be practical in character, not theoretical. It must operate consistently with this law of economy, and do so to a degree sufficient to give it power in industrial affairs through the practical medium of price. The price must be lower not only than others *do* sell but lower than they *can* sell. Given this power, this factor, and the people will irresistibly support it without ado. And if the institution is one whose purposes are good, there is then all the less doubt of its being supported. No legislation is required to compel them. There is no compulsion of that kind that could serve any good purpose.

We are dealing here with the subject of means as means, without regard, at present, to the ends. Means must be sought first before an end can be accomplished. We discover that the more we subserve the law of economy the more do we acquire power to exert upon industrial affairs; the less that we subserve that law the less power do we obtain; and further, that this power, for the purpose of an immediately practical institution, must be exerted through the medium of low price.

III

INTEREST

THIS brings us, then, to the question how to accomplish the required economy; but, at the same time, we must understand the workings of the present arrangement, and they may point out an avenue of approach.

The evils of the present system are due to two fundamental errors of human arrangement —the factor we term Interest, and the lack of balance between Production and Consumption, or, in other words, between Production and Want. It is the express purpose not to enter into an extensive philosophic exposition of these matters, but merely to refer to them in such a brief and practical way as will serve the purpose, leaving the reader to refer to other works for fuller instruction.

On the subject of Interest a more scholarly and clear exposition is not extant than Mr. J. W. Bennett's article in the *Arena* of March, 1894, under the title, "The Cause of Financial Panics." The reader is especially referred to

this, as forming, virtually, a part of the subject of this book.

The general evil result of Interest is apparent when we consider merely certain incontestable facts.

First, the degree to which it is a factor in every business transaction. It forms a part of every price along the whole line from the first touch an article receives as raw material until it reaches the consumer, who has to pay, in the final price to him, all the cumulative interest. Every dollar invested in business claims a return called Interest—aside from profit as distinguished from Interest. Every business house is obliged to pay interest charges, more or less. Every business transaction is a time transaction, more or less; and even when a purchase is made for cash, the goods purchased have had to be kept in stock for a time, during which an interest charge has accrued against them. The cost, to the business world, of carrying on business is greatly enlarged by reason of Interest, which Capital is enabled to exact in consequence of its possession by a few, its monopoly of money, and the impossibility, therefore, of any houses but a very few being able to avoid it.

When we buy an article, we commonly think, if we think that far, that the dealer has added his interest in the price; but we forget that several times before it reached

him has interest been added by each of the houses through which it passed — the wholesaler, the jobber, the manufacturer, the producer — all of which the retailer has had to pay, and therefore add before he adds his own interest charge.

An illustration suggested in "Stockwell's Bad Boy" will be interesting. A farmer sells some wool and afterward buys a piece of cloth for a coat for his boy. (The author of "Stockwell's Bad Boy" doubtless errs in figuring interest, in the following example, at 6 per cent., for each transaction would thus imply a period of six to twelve months. A business house will turn its dormant or fixed capital only once a year, figuratively, but will turn its *active* capital several times in a year. Hence interest should more properly be figured at 3 to 4 per cent., and sometimes lower.)

Paid farmer for wool	$1.00
Interest, at 6 per cent.	.06
Profit, 10 per cent.	.10
Sold to manufacturer by wool-merchant for	$1.16
Cost of manufacture, 25 per cent.	.30
Interest, 6 per cent.	.09
Profit, 10 per cent.	.155
Sold to jobber for	$1.705
Interest, 6 per cent.	.102
Profit, 10 per cent.	.18
Sold to wholesaler for	$1.987

Wholesaler's interest, 6 per cent.	.12
Wholesaler's profit, 10 per cent.	.21
Sold to retailer for	$2.317
Retailer's interest, 6 per cent.	.139
Retailer's profit, 10 per cent.	.245
Sold cloth to farmer for	$2.70

The above, not being precise, is intended merely as an illustration. To observe the importance of it, let us see how this would figure out if there were an instrumentality enabling us to do the business of the country on a cash basis:

Paid farmer for wool	$1.00
Profit, at 10 per cent.	.10
Sold to manufacturer for	$1.10
Cost of manufacture, 25 per cent.	.275
Profit, at 10 per cent.	.138
Sold to jobber for	$1.513
Jobber's profit, 10 per cent.	.152
Sold to wholesaler for	$1.665
Wholesaler's profit, 10 per cent.	.167
Sold to retailer for	$1.832
Retailer's profit, 10 per cent.	.183
Sold cloth to farmer for	$2.02

A difference of 68 cents, or about 33 per cent. In other words, the farmer has paid for the cloth 33 per cent. more than he would

have been obliged to pay were the business of the country done on a cash basis. It is interesting to follow this still farther and note that, were the retailer to deal with the manufacturer direct, the price of the cloth would have been still less, namely, $1.66 — a difference of about 60 per cent.

Incidentally, it is to be remembered that profit here is only a nominal term. It should rather be termed margin. Out of this the expense of doing business, other than interest charges, is to be paid. Most usually both interest and profit are covered by the term "margin," as it is not always possible to say, on each particular transaction, just where interest ends and expense begins, where expense ends and profit begins. The whole is covered by a margin, and after interest and other expenses are paid, at end of the year, the margin remaining is net profit — if there is any remainder. Many manufacturers and dealers make at present very little *net* profit in the long run. It would be nearer right to call all the above items of profit by the name of margin.

The point made here is to show how large a factor Interest is in every price, in every transaction, and to observe that it is not retained by the dealer or manufacturer as such. It is paid to Capital. To be more correct, it is paid largely to holders of money — the monopolizers of the commercial *tool* termed money.

It might be further observed, in passing, that there is hardly an item of wealth in use that is not made to yield interest permanently. All land and dwellings, every piece of machinery, even the bricks in the sidewalk and the stones in the street, are made to pay interest. *Everything* pays interest. Look about you as you walk the streets—point out, if you can, something that is not made to yield interest. Point out something we buy, or some corporate service, that we do not pay interest on. Everything represents an investment, and an investment is something which is expected to yield a return over and above its keep or replacement. Follow up this thought, and try to trace all the ramifications of interest, and see where it finally goes to, at what point it stops going. For instance, if the retailer's interest, and the wholesaler's, and the jobber's, and the manufacturer's, and so on, is not retained by them, *where does it stop?* Examine even the course of this feature, Interest, in the Building and Loan Companies—the poor man's friend. It should be followed as it passes from hand to hand until it stops, and then note what is the final factor or person who receives it, and what it is received for.

It does not suffice for me to say that Capital gets it—Capital or Capitalism as such; not the individual as such, but that soulless thing or fiction termed "Capital"—but by

which we mean "money" in this connection. It does not suffice for me to say that, for the reader must trace the operation of interest at each step, and question it as to the reason for its being at each recurring point, before he can gain a tolerable impression as to whether interest is right or wrong, and whether it is friend or enemy. He must think it out for himself. The question of its right or wrong it is not intended to here discuss, but merely to observe certain bare facts. The moral right and wrong is ably treated by Mr. Bennett in the article previously named.

Having illustrated the presence of interest in all buying and selling, all business transactions, in particular, let us observe its final aspect in general as concerning the country as a whole—the other end of the problem.

From Mr. Bennett's article we learn that the present wealth of the United States is, in round figures, $72,000,000,000, of which 80 per cent. is interest-bearing, at an average rate—low estimate—of 6 per cent., making an annual interest charge of over $3,000,000,000, or $30,000,000,000 in a decade. This can be paid only out of, or with, that which we term increase of wealth—that which we have not consumed. This increase of wealth has been, in the last decade, $22,000,000,000; leaving thus a deficit of $8,000,000,000. But on top of this great debt is to be added the cost of government in every form. This

amounts to about $9,000,000,000 in a decade. Thus there is a total deficit of $17,000,000,000 in ten years, which we are utterly unable to pay. "In view of such figures as these," says Mr. Bennett, "it is not difficult to see why we have periods of depression every ten years and terrible financial panics every twenty years." We simply go into bankruptcy every ten and twenty years.

It is curious that business men, who, above all others, ought to know this best, do not appear to be aware of it at all. Surely it is as plain as a pikestaff that *this*, and not Tariff, Gold, Silver, or want of confidence, is the cause of industrial depression — industrial deadlocks, rather.

This principle of Interest, which is, so to speak, the basis of the business system, the god which the business man worships, is as surely destroying him as that night follows day.

Interest is, furthermore, the fundamental cause of concentration of wealth, which everybody seemingly is ready to protest against, yet does not seek to learn the cause of. Let us see:

Of the $72,000,000,000 present wealth, 80 percent., or $55,000,000,000, is held by 250,000 persons. $50,000,000,000 of this bears interest; *compound* interest, be it remembered, for, when Capital receives interest, that interest becomes further capital to earn further

interest. If nothing were to happen and the country could pay the interest, this sum would double itself in fourteen years, figuring 5 per cent. Adding to this the $5,000,000,000 omitted as not out upon interest, we have $105,000,000,000 as the sum which "concentrated wealth" would possess in 1908. Now, if the wealth of the country is increasing at the rate of $2,200,000,000 per year, the total wealth of the nation will be only $102,800,000,000 in 1908—as against $105,000,000,000 which concentrated wealth has the power to absorb by that time. It is clear, therefore, that, if nothing were to happen, the entire national wealth will have been absorbed into the possessions of these few before that time. It actually does work this way, and has been working this way, except that its actual speed is slower in consequence of our inability to pay and the resulting panics and bankruptcies. Coördinately with the accumulation of more wealth upon the part of those already possessed of great wealth goes the concentration of wealth into the hands of ever fewer and fewer persons; so that, were present arrangements to endure, it is quite probable that within twenty or thirty years almost the entire wealth of the country will be in the possession of not over a few thousand persons, if, indeed, more than a few hundred. A great number of fortunes still existing will finally have to give up the struggle to the few im-

mense ones. No ordinary fortune or business of to-day has the slightest chance to continue unimpaired. The business man, as an independent business man, is doomed; his struggle is utterly hopeless.

This, then, is the error referred to, called Interest—an error of human arrangements. It is not alone an error of method, but also one of principle. The principle is as wrong at 1 per cent. as at 10 per cent. The moral of the question entirely aside, it is wrong scientifically. It will not be necessary to argue that here. It will be self-evident to any reflecting person, especially if he reads Mr. Bennett's article.

Returning to the object of our endeavor, the plan which we are to construct, we perceive that Interest is an evil principle which must be eliminated from the industrial system. We dare not say it is impossible. It says *must*, or your life! And we must do it without violation of the law of economical production, as well as without impairing productive facilities.

Contemplating an institution of buying and selling, as previously pointed out, it is evident this institution must exist without being permanently subject to the burden of interest. That accomplished, it likewise will not *charge* interest.

This causes us to observe that Interest is at once the strength and the weakness of

Capitalism. It has been its strength because it has enabled it to grow and to concentrate. It is its weakness because Interest is an absolute necessity to its life, to its evil power. Hence, to remove the chief evil of Capitalism, it is but necessary to remove this food which is its life. If, therefore, we can so organize an institution that we obviate both interest-paying and interest-charging, we have discovered the secret which will enable us to compete successfully with the hitherto great power of Capitalism.

But we cannot remove Interest by law or arbitrary edict. Interest springs from a condition of financial and industrial arrangements, which condition must be either eliminated or circumvented. We cannot do this without dealing with the money question. But, in order to make unnecessary an abstruse disquisition on money, let us first investigate the other evil mentioned, namely, the lack of balance between Production and Consumption.

IV

LACK OF BALANCE BETWEEN PRODUCTION AND CONSUMPTION

BY lack of balance is meant that state of affairs which presents to us, on the one hand, a great number of manufacturing enterprises and agricultural producers languishing for want of a market, with, on the other hand, a great multitude of consumers wanting and craving for the very things which the former want to sell. It is impossible by our present arrangement for the two to come together and effect an exchange — each buying from the other, and at the same time each selling to the other.

Every producer is a consumer, and every consumer is a producer — of services or products; this in a commercial and not a philosophic sense. The philosophic term "non-producer," as applied to those persons who produce merely "services," has no place here for practical purposes. If a man serve so-

ciety by teaching, or as a physician, a clerk, or a street-car driver, he is equally a producer with him who works on the farm or in the workshop.

We have to deal practically, therefore, with every person as a producer of useful service or product, so far as he is such — and at the same time as a consumer. It is observed that no producer, however, consumes identically his own product. In order to produce economically or advantageously to himself as well as to society (to say nothing of the impracticability of his doing otherwise) he must confine himself, as a rule, to some single product or occupation. In consequence, he is obliged to exchange this product or service which he does not need for that product or service of others which they do not need and he does. He does this by selling it for money, and with that money buying back from the world's stock the goods or services which he needs. As a producer he is a seller, as a consumer he is a buyer. In this connection he is obliged to use money as a medium of exchange. Money, here, is neither the thing he sells nor that which he buys. It is merely a certificate or the *representative* of that which he sells and buys — be careful to observe that it is not the *thing itself*. With money as the instrument or tool — with money as a substitute for bookkeeping — he makes the exchange of his product for the product of

others. This necessitates an intermediary institution termed the Distributive System, *to* which he sells and *from* which he buys. It is a matter of fact that, in consequence of present evils, he cannot readily sell; and to the degree that he cannot sell he *ceases to be a buyer*. It does not help business as a whole one iota to discharge working-men in consequence of lack of business to keep them employed, for by that very act we cause still less volume of business, through the lessening of purchasing power corresponding to the wages thus lessened. It is no answer to say that we produce enough for all with so many less workers. Practically we do not, for the idle workman lacks the purchasing power with which to obtain a part of the product created. If he does not work he does not sell (his labor or service), and if he thus cannot sell how can he buy? And how can we say we *do* produce enough for all when the "all" haven't that "enough"? To say we *can* produce—that's different.

It does not benefit manufacturers as a whole when, in consequence of labor-saving devices, they are enabled to get along with less workmen, for immediately the purchasing power of the community is again lessened, to a degree equal to, if not greater than, the reduction in selling price. There is merely temporary advantage to a few of them. Shortly they discover that business is not a whit more

profitable — in fact, less so than ever before. Barring certain exceptions, the majority of business men to-day will tell you that they do not and cannot "make money" as in times past. Some houses have larger capital and greater volume of business, and yet make relatively less than ever before; a great many are beginning to say that they no longer expect to make more than a living — that they are fortunate if they do that well; a large number of business houses are existing by virtue of the money they *once* made and the capital they *then* accumulated, rather than any money or capital thay are *now* making or accumulating. As business becomes less profitable, those who are wealthy and can do so begin to withdraw from active business, and endeavor to invest their money so that it will yield a net income in the form of *interest* — by becoming real-estate men, landlords, bankers, money-lenders, and the like, or speculators. Profit in the usual sense is largely become a fiction. Gross profit is not net profit. Gross profit in legitimate business is mostly absorbed by expense, in the form of interest, rent, selling expense, and the other costs of carrying on business.

What is the difficulty here? What is the cause of this? Isn't it strange that business men, as the class who, above all others, ought to know best, are the most ignorant? Philosophers have said that business men are more

ignorant than any other class of the social laws concerning themselves. Do we often find a business man who understands, like the social philosopher or the hitherto much-reviled Socialist — who understands that, fundamentally, his business prosperity is inseparably dependent upon the prosperity of all other business men, and, in turn, the prosperity of business men as a whole upon the prosperity of the community as a whole, including the very least and humblest?

It is not the purpose here to amplify this proposition by way of extensive demonstration.

Lack of balance is not remedied by the discharge of working-men ; it is not remedied by the improved or more economical methods of production. It is caused, fundamentally, by the vast disproportion between the legitimate *cost of production* and the *purchasing power* of the community — between the amount paid out into the community in producing a given article or service, and the amount required to buy it back.

The producer, as stated before, is likewise the consumer. What he receives for his product or service as a producer is the measure of his purchasing power as a consumer. If that purchasing power is not nearly sufficient to buy back the identical thing or service he produced, or its *equivalent*, the balance is destroyed between Production and Consumption

—between "cost of production" and "purchasing power." The market, the community into which the business system must sell its goods, does not possess the purchasing power to buy them all, because the price which is asked far exceeds the amount originally paid into the community in producing the goods. The community can derive purchasing power only from that money or credit which it receives in payment for the services it produced or rendered.

Or, to state it another way, the community, in order to buy back what it originally produced, must work two or three times as many days in obtaining the purchasing power, the money, so to do—two or three times as many days as it took to originally produce the things it now buys. Having done this once, for example, its purchasing power thereupon ceases for the time being. The goods it thus produced in order to obtain this purchasing power exceed, by far, the goods it has just bought—leaving, thus, surplus goods without corresponding surplus of purchasing power. The goods just bought are in due time consumed, and the community then wishes further goods, to obtain which it must first earn further purchasing power, now having none. To do that it is required to work or produce, and sell that product or service. It is ready to do so, and attempts to do so, but it cannot. It cannot *sell*, for the reason

that there is left over from its previous efforts a surplus stock of goods not yet sold because it could not previously buy them. Until that is sold, the community cannot sell its further labor, for it can sell it only to those who already have this stock of goods and therefore do not need the labor. At the same time, those who have this stock can sell it only to this given community which now is unable to buy it. Lack of balance ensues. A deadlock has taken place. What a shrieking farce!

The wise business man contemplates this with wrinkled brow, and runs his fingers through his hair. He cries out, Over-production — that's all! He can see nothing else — and begins to talk a lot of trash. His own working-men, the Socialist or other crank (?) whom he calls a fool, often know better than he does what the real trouble is. All honor to the fool then!

(It is well to state here this incontrovertible fact: the philosophies of Socialism in particular are not the arbitrary creation of the social philosopher, but are a scientific, logical deduction from the operation of law as it affects our industrial affairs. Errors and differences of interpretation are present, but the main facts are incontestable. No one's saying so, but their *being* so, makes this true.)

Returning to our practical object, the seeking of an avenue of remedy, it is obvious that it must take the direction of eliminating this

lack of balance. It must operate to bring purchasing price nearer to productive cost. It must make a man's buying power more equal to his selling power. Correctly stated, it must serve to give that money or credit which he receives when selling (his service or product) the power to buy back more nearly the equivalent of what he sells.

As a seller a person is very far removed from the point at which he is a buyer. Between the two points a great load of extraneous cost has been heaped upon the article, until, when it comes back to the point at which one buys, the price is out of all proportion to the community's ability to buy. Witness the example previously given as to the farmer who sells a bit of wool and finally buys a piece of cloth. When it starts out from him it represents a dollar. It travels so far around and through so many hands that, by the time it comes back to him in the shape of cloth, it amounts to $2.70. If the original wool required one day's labor, it now requires him to perform one and seven tenths days' *additional* labor, on top of the dollar he originally received, in order to get the cloth back. Or, in other words, he is obliged to pay one and seven tenths days' labor, or $1.70, for the turning of this one dollar's worth of wool into cloth. We observe that, omitting interest, but including the manufacturer's profit or margin, the real cost of converting the wool into cloth

was 45 cents. If the farmer were, for example, alongside the manufacturer's establishment, he could have sold the wool direct to the manufacturer for $1.00, and the manufacturer the cloth direct to the farmer for $1.45, or at most for $1.55, and no harm done. But because they are not in just that position to each other, the farmer is obliged to pay $1.25 more for that reason alone; that is, he pays $1.00 for the wool in the goods, 45 cents for converting the wool into cloth, and $1.25 because he happens to be one hundred or one thousand miles away from the point of manufacture. That looks as absurd as if I went to a store to buy a coat for $1.45 and then had to pay $1.25 for the delivery of it to my home.

Industrial activities are of two kinds — productive and distributive. The $1.00 and the 45 cents went to the productive, the $1.25 to the distributive division. Admitting, as is a fact, that a distributive system must be had, isn't its cost, which is, relatively, a dead expense upon the nation — isn't the *cost* wholly out of all proportion? There is waste and over-cost in the productive division, without a doubt, but nothing as compared with the waste or over-cost of the distributive division.

Hitherto no distinct treatment of this cost, the distributive as distinguished from the productive, has been made. Social philosophies constantly advert to the waste of production, but do not clearly point out that they

really mean, in the main, the waste of *distribution*.

Before passing, let us observe somewhat further how the cost of distribution affects "purchasing power." First, let it be said that the cost of production, no matter how great, does not affect or destroy purchasing power, so far as that cost is legitimate, that is, is paid out to the employees or others for real service of some kind. For example, if workmen in common were to get ten times the amount of wages now prevailing, the price of goods would advance to the same degree; and while their purchasing power is nominally ten times as great in dollars and cents, it would in fact be only the same, relatively, as before. They could buy back no more and no less of their product than before. It is not the amount of the wage in itself, or the price in itself of an article, that affects matters, but the *relativity* or *proportion* of the one to the other. If, however, the cost of distribution were lessened by 25 per cent. while wages remain the same, the wage would purchase 25 per cent. more than before, and thus the result would be equivalent to a universal advance of wages or income by 25 per cent. This is the first practical way to advance wages.

The income of the farmer—that is, the price he receives for his products—stands very nearly in the same relation to the ques-

tion as do the working-men's wages. The remarks about the working-men's wages may, therefore, apply almost equally to the wages of the farmers, the price of farm products.

Waste in production is as yet no serious evil. If I operate a factory wherein, for any reason, say because of hand labor, the product costs more than if made by machinery, it is the source of no evil, inasmuch as the amount of the cost, whatever it is, has been paid into the community through the employees, and thus the community is able to buy it back. Were machinery employed, there would have been as much *less* paid into the community as the cost, and therefore the selling price, of the goods is less. The problem of production *per se* is, therefore, a wholly subordinate one for present purposes. So long as present distributive arrangements endure, no tampering with productive arrangements can yield any substantial benefit. In fact, it yields evil. It intensifies evils. The economizing of production is the direct cause of the number of unemployed. That condition is an intensification of the evil which we have termed "lack of balance."

To make the point more clear, that tampering with productive arrangements exclusively yields no full solution, suppose the balance between productive cost and purchasing power were restored in the productive division. Suppose every unemployed man were

given work, and that then all manufactories were run even at cost, not even interest being figured in. The selling prices of the manufacturer remaining the same, and nothing but legitimate employment being paid for, the employees would then receive a trifle more wages — perhaps 10 per cent., perhaps 15 per cent. In consequence of the unprofitableness of a large number of institutions the advance in wages would average, very likely, less than 10 per cent. The goods manufactured would thereupon pass through the Distributive System as before, and all the costs of that system would in no way have been lessened. Hence, the manufacturer's price having remained the same, the retail selling price would remain the same. The net result would be confined solely to the working-men, include no one else, and upon them it would have bestowed a benefit by increasing their purchasing power 10 per cent. But the lack of balance would still be very far from being remedied, for that is due to the principle of interest and the undue cost of distribution.

But even this much is impracticable of accomplishment, because the method is wholly impracticable. When the distributive waste has been eliminated, then, and then only, will the problem of productive waste be in order to any substantial degree. The raising of wages and shortening of labor hours is not possible now to any substantial degree. That

cannot be dealt with until such a time when the commercial character of the industrial system has been replaced by a system which has the practical power and ability and the organized coördination to apportion the total amount of labor equitably among the total number of workers. Practically prior to this we must solve the problem of bringing purchasing price nearer to productive cost. Obviously this problem lies most immediately in the distributive division. In that division is the place where it is most practicable and easy to apply the remedy, where the largest degree of cure will be obtainable, and where the cure will permeate the entire system and affect impartially *the whole people*. The distributive avenues are the arteries of the nation through which the blood flows, and there is the place into which to inject the remedy. The heart, the productive division, is in no very bad condition, save as affected by the arterial, the distributive division. The disease is functional, therefore, not organic.

The productive division does not dominate the distributive. An institution along purely productive lines would, therefore, be very limited in influence; more especially because it could have no influence outside of the narrow line of goods it is confined to. It would be constantly under the domination of the distributive system. On the other hand, it is the distributive division which dominates the

entire industrial system. An institution in this division might easily become so extensive, as to area and as to variety of goods it handles, as to powerfully influence the whole system of industry, including the productive division.

So, then, how does the cost of distribution affect purchasing power? We observe in the example previously given that the $2.70 worth of cloth consists of the following items:

Material and labor—legitimate, direct cost of production—being the original wool plus manufacturing expense		$1.45
Total interest	.51	Cost of distribution to and fro, $1.25
Total expense and profit,	.74	
		$2.70

The question is, How much of this $2.70 has been paid out in such a way as to confer purchasing power, and how much is not purchasing power?

First, what is purchasing power, what constitutes purchasing power? In answering this we treat "money" and "credit" as one and the same thing.

Purchasing power is that money which, being received for product or service, is again used within reasonable time by the recipient in the purchase of service or things for his use or consumption. Thus the money paid for any useful service, no matter what its nature, will constitute purchasing power, will

be spent and respent in making purchases. It ebbs and flows, circulates back and forth, performs exchanges of product and service for product and service. It is always moving, circulating, never stationary to any large degree or length of time. (A more amplified definition might be given, but this is sufficient here.) Whatever money or credit that does *not* do this is, conversely, not purchasing power in the required manner. Thus that proportion of interest, profit, or wealth which flows in one direction and does not successively return, that which accumulates and concentrates itself into the hands of persons who cannot or do not spend it *in order to consume what it buys*, who do not buy back the product in whose cost this money or expense has entered — that is idle or stationary wealth; that is not purchasing power in the active sense implied in this question.

It has been shown, by the illustration relating to the concentration of wealth through the instrumentality of interest, where this loss of purchasing power goes to. The interest received by the recipient of small income is generally spent and consumed. But the interest received by the very wealthy, to the extent it is not consumed by them, no matter how otherwise invested, does not continue to perform purchasing power. It becomes stationary wealth, and, what is worse, through being a non-consuming thing it perpetually

draws to itself further wealth through interest. All stationary wealth is, virtually, purchasing power withdrawn from circulation — withdrawn from the avenues in which it was intended to serve the purposes of consumption, and not of accumulation; it has left the return act of the exchange function unaccomplished. (Again we must omit further amplification.)

All that portion of the $2.70, therefore, which goes into active use — that is to say, which ebbs and flows, and does not run in one direction solely — is purchasing power; the rest is not. Thus the $1.45 is purchasing power; the 51 cents interest is not, and a considerable portion of the 74 cents distributive cost is not. It is clear that not less than 70 cents of the $2.70 lacks the required character of purchasing power. Thus the community as a whole receives but $2.00 with which to buy back the $2.70 article. Its purchasing power is 70 cents short. Its purchasing power is 70 cents short each time it spends $2.70, for example. When it has done this four times there ensues a deadlock, that is to say, a panic or business depression. Then it shifts and squirms about, makes bankruptcies, etc., until it gets a little wind, starts off again, and finally succeeds in doing the same somersault over again, each time getting more "in the hole" than upon the previous occasion. Each time the grip of Interest takes a fresh hold and becomes a little tighter.

Interest is, therefore, evil, because, as observed, it destroys the balance between production and the power of the community to purchase or consume that production. As industrial life has become more and more differentiated — in other words, as each producer or worker produces less and less for his own direct consumption, requiring, therefore, to exchange his product for that of a constantly greater number of his fellow-men — the use and need of money as an instrumentality with which to perform these many exchanges becomes more and more a necessity, to a greater and ever greater extent. The time has come when a great volume of that money-service is needed. The present volume is so small in proportion to the requirement, and has concentrated itself (through interest mainly) into the hands of so small and separate a class, distinct from the people as a whole, that this class is able to dictate terms inimical in the highest degree, as witnessed by the results shown.

The expense of distribution, other than interest — for example, the item of 74 cents — is as wrong scientifically as the item of interest. It is not so *seriously* evil, however, because it still serves to create purchasing power. Its evil consists in the undue proportion of specifically productive labor it necessitates to satisfy that purchasing power, or, in philosophic terms, to support these non-producers.

Interest is an absolute evil, undue cost of distribution a relative evil. Both must be eliminated. It should be apparent without demonstration that in so far as a remedy eliminates interest it can do no harm, not even immediate; also, in so far as it reduces the cost of distribution, and thus brings each person's buying and selling ability into proper coördination, it can work no harm to those it displaces in the distributive division. It will do no harm, inflict no hardship, for the reason that it establishes universal prosperity permanently, thus removing all limit to the productive field, manufacturing or agricultural; will stimulate, in fact, these divisions, and thus gradually open up avenues of productive employment for those now in the Distributive System, inevitably, *as fast as it displaces them.*

As the remedy, the new Distributive System, grows in influence and removes the artificial obstructions, it tends to give to every producer virtually his own product to consume—no more and no less. No matter how much or little any one produces, he gets it all, and must get it all. It will obviate the state of a man producing a given amount and not getting back but a fraction of its equivalent. Conversely, it must obviate the other extreme, namely, that of a person being paid to an extent far greater than he produces or properly merits.

If one accumulates or does not consume all he produces, well and good, so it have no tendency or power to deprive any one else of that which the other produces, or in any manner to enslave the latter through want, or the fear of want.

V

THE PLAN—BY WAY OF ILLUSTRATION

IT is a logical deduction from what has gone before that the first and most practical thing in order is to devise a distributive agency or institution. Being a *distributive* institution primarily prevents it in no manner from being a productive one where it finds opportune avenue or necessity, and in due time and order.

For obvious reasons it cannot be a governmental institution. It does not follow, however, that it cannot just as well be as public in its benefits as if it were. Nor does it follow that it cannot just as easily become coextensive with the industrial system in time.

With many people it would be even more acceptable, in the present state of understanding, if the institution were *not* a governmental one. In fact, it would be an advantage to the institution, for then there would be no

constitutional bars to its good activities, and no fixed and inflexible laws defining what it shall and shall not do, without regard to the benefit of the services which they forbid it to perform. One of the most potent proofs in support of this proposition lies in the admitted fact that the majority of the people (if not nine tenths of them) are desirous that the Post-office Department be extended to take in at least the Express, Telegraph, and Telephone service, and yet it is not done. The people are ready to vote upon it, and the proposition if voted upon would carry overwhelmingly; yet no vote is taken. Not only that, but we cannot vote even if we want to. In the name of heaven, isn't this a most anomalous position for a democratic nation? We Americans are individually tolerably intelligent people, but collectively we are the stupidest people on the face of the globe, relative to our pretensions and capacities.

We observe the post-office cannot extend its service. Suppose a group of private persons or an association of some kind were running the post-office just as it is run now, viz., at cost and for the impartial public benefit. Suppose they resolved to advance the third-class or parcels limit from four pounds to ten pounds, would a single voice say nay? And suppose later they were to advance it to one hundred pounds, who would say they had no right to do so? And who, moreover, would

refrain from patronizing them ? Yet the post-office cannot do this.

The people own the post-office. If the people want the postal service extended, and the people are the government, why don't we go on, then, and exercise our right to extend it?

Now it is certainly plain that a governmental institution for carrying out our present purposes is precisely what we do *not* want. Since private institutions have vastly more liberty and flexibility than a governmental one, therefore we must establish an institution which has all the liberty, flexibility, and power of a private one, plus, if possible, the added advantages of being public in its benefits. We must combine the various advantages of both the private and the public institution, and avoid the disadvantages of both. It will be seen that it is easier to do this than it would be to establish purely the one or the other.

Now, then, bearing in mind all that has gone before, suppose an institution embodying the precise character and principles of the post-office (minus its inflexibility) were in existence, owned by no matter whom. Suppose that instead of carrying letters it bought and sold goods, performing the service at as near cost as it could do so safely. In other words, suppose the post-office in this city were a store — a big store — wherein are sold dry

goods, clothing, shoes, groceries, provisions, etc. Suppose it bought these goods just the same as any private store buys them — wherever it could get them cheapest — and then sold them to you over the counter at a price merely sufficient to cover the cost to it of performing this service, plus cost of extending its functions from time to time. Would such an institution, once started, ever lack for support? Could you, in fact, *drive* people away from dealing with it?

Suppose it started in just one city — any big city — how long would it be before hundreds and thousands of branches would be established in all parts of the country?

Or, to make the suggestion another way: We have an immense department store in this city. Suppose this house, being debt-free, should suddenly determine to donate (or sell) for public purposes its entire capital, stock of goods, and good-will, to five or seven trustees, who might be, possibly, the very same persons who are now the directors. Suppose these trustees, without a moment's stoppage of business, should go right on with the business as before, charging no expense in the shape of interest (having now none to pay), charging only sufficient to cover the legitimate expense of the business, plus a certain fraction for the purpose of enlarging the establishment and installing branches as soon as the volume and character of business demanded. Their

selling price would then be the same as in the case of the previous illustration. Let it be understood that there is no rule whatever limiting the avenues in which this institution is to operate, its entire constitution consisting of the simple provision "that it shall exercise every lawful expedient or activity within its power, now and hereafter, to bring about the nearest balance it possibly can between legitimate 'productive cost' and the 'purchasing power' of the people—in the general sense implied in the preceding chapter; to which end it shall be proper for it to engage in any distributive or productive business in its wish and at its command; and that it shall be further proper for it to engage in any other service whatsoever in which it can be of any public benefit."

It is almost idle to ask, Would that institution be a success? Once started it could no more be stopped than we could stop the process of the suns. Is there any evil, any sore, any wrong, anywhere in the industrial system, that it would not in due and rapid course reach as certainly as it exists?

VI

CAPITAL AND CIRCULATING MEDIUM

NOW it will be plain to those who have carefully followed all the premises leading up to the illustration in the previous chapter that, granted the institution is fairly and properly launched, it will, on the one hand, be automatically obedient to all the requirements pointed out as essential, and, on the other hand, be able to defy the competition, if we may so term it, of the combined money-power of the world, let alone of this nation. No power that can in reason be devised or imagined would be able to destroy it. It can be destroyed only by itself. In so far as it is not obedient to the law of its being it will die, as it ought then to die; in so far as it is thus obedient it will live, as it ought then to live.

And if, for the reason named, it should die, it will inevitably rise again, like the phenix, from its own ashes.

But it is idle to talk of its dying. The important point is, that it be endowed, not so much with rules and laws, as with *freedom* from restrictive rules and laws; and with administrators of that character and qualification who can be counted upon to carry on the institution, obedient in the fullest possible degree to its purposes; who can be trusted to vary and adapt their methods and rules to the ever varying and changing requirements which from time to time take place.

It remains to point out certain practical features necessary to this institution, and a precise *modus operandi* of putting it into operation.

The first essentials are Capital and Circulating Medium. Capital and Circulating Medium are two different things. Money is capital, but money is capital only because of the things it will buy. These "things" are the *real* capital, and money is simply the representative of them, a certificate certifying to that fact. Having the "things" is better than having the "representative"—we cannot eat, live in, and wear the representative; we can the "things." Let that be borne in mind clearly, for we have become very much obfuscated of late regarding money. Money is properly only a tool, purely and simply, and any other tool that will do precisely the same work is precisely as good.

Circulating Medium: money is a circu-

lating medium. I can give no simpler idea of its character and quality as such than to say it is a "substitute for bookkeeping." Of course it has other features, collateral or subordinate, but of no importance here except, as will be seen later, that the circulating medium of this institution must of necessity be absolutely without any feature other than this single essential one, "to serve as a substitute for bookkeeping."

So, if bookkeeping and money are tools of like instrumentality, why not use bookkeeping, then, not only as now used, but in every possible manner, direction, and purpose? And inasmuch as money, in the ordinary understanding, and according to the interpretation of bankers and money-mongers, is a thing other than bookkeeping, and is more inimical to industrial well-being than fire, we do not want it at all except in a limited way, as will be indicated.

Bookkeeping is simply a memorandum. If I buy something of a merchant he makes a memorandum of that fact on his books, and when I pay or render an equivalent he makes another memorandum — that's bookkeeping. If in the first place I pay him the money, he doesn't make a memorandum as concerning me personally, and the money is thus a substitute for the bookkeeping. It is only a matter of convenience or expediency as to whether the money is or is not used — hav-

ing no concern whatever with the substance of which the money is made further than that its certification is genuine. Now if, when I first bought of him, I brought a piece of paper from John Smith, upon which was stated that said Smith owed me so and so much, I would, if agreeable, tender that instead of money, and, it being accepted, the bit of paper and the words and the signature upon it would, so far as I am concerned, have performed all the service which money would have performed in the same place. In the same manner, there would have been no concern with other than the matter of expediency and genuineness.

It will be seen, therefore, that there are many ways of substituting and assisting bookkeeping. An entry upon the books, a demand note, demand draft, voucher, due-bill, or any other form of memorandum or certificate, portable or stationary, are all substitutes for and assistants to bookkeeping. It is in this suggested way, then, that this institution can find every needful instrument as circulating mediums, and thus avoid the evils inherent in the use of present so-called money, as well as be relieved of the enormous cost and barrier to obtaining sufficient present money to serve us. But, as stated, even if we could obtain, without cost or hindrance, all the United States money we wished, we can have no use for it—it would not serve our pur-

pose under prevailing financial evils. That, farther along.

The necessity of a circulating medium as a substitute for bookkeeping will be obtained, then, by executing on our own part some manner of non-counterfeitable certificate, and one that concerns only this institution, and does not pretend to be money in the money-mongers' sense, for that is precisely what we do *not* want.

The next and final necessity of a circulating medium is for the purpose of converting transactions into cash transactions. Now, so far as we choose to credit a person upon our books and charge no interest, that being agreeable to him, there is no occasion for anything further. The essence of a *cash* transaction in business is not because of the medium being money *per se*. It is because of the pay or equivalent for the thing sold being rendered in something which can be *at once* used actively by the seller, for further purchase, or extinguishment of debt. It is merely the present arrangement of affairs which makes money now an essential to a cash transaction, simply because money is now the only thing invested with purchasing power anywhere, at any time — with immediate, unquestioned, and unconditioned acceptability. If I sell a man a chair for $3.00, and happen to want a hat that day, intending to buy it of Jones at the price of $3.00 — if the person buying the

chair pays me with a voucher on Jones, the transaction is as much a cash transaction, in essence, as if he paid me in money. That voucher may be a seven-cornered piece of paper written upon in yellow ink, or it may be a piece of a barrel-hoop with some hieroglyphics upon it: it doesn't matter to me so long as Jones accepts it in payment for the hat—save as concerns the matter of convenience in carrying about a pocketful of barrel-hoops.

There is, then, no serious obstacle to the obtainment of a substitute for bookkeeping, so far as needed, and to the obtainment of the essence of the cash transaction.

The sole qualification essential to both purposes consists in the known and unquestioned ability of the person or institution issuing the voucher, whatever its peculiar form or wording, to honor it upon demand. Referring to the institution previously illustrated, and granting that the institution is in existence, there is no question that its voucher, check, or memorandum will be received anywhere, at any time, for the purpose of any legitimate industrial transaction. And, being the voucher of this institution in particular, it must certainly come back, somewhere, at some time, to its point of issue. That is precisely what the voucher must do to serve our purpose, and therefore one that will not do that cannot be used. Remember the definition of purchas-

ing power, and you will perceive the correctness of the proposition. Observe, further, and in particular, that United States money will not serve the purpose. There is no assurance, under the existing financial system, of its coming back *to balance the act of its original issue* for goods or service.

Such vouchers or credits upon our books which we make are payments for goods received from the payee, conferring upon him purchasing power; and that purchasing power comes back, no matter where or how long after, and receives in cancellation the goods originally sold to us, or their equivalent in anything else, minus, of course, the cost of our doing him that service — but minus nothing *more*.

VII

THE PLAN—IN FACT

IT remains to point out the initiatory steps to the establishment of this institution.

It is obvious that no serious question can be made against the proposed institution. It is further obvious that certainly a very great number of people will assist in initiating it, if they have the required ability, and the matter is brought to their attention. This for the reason that in their own minds, and to their positive conviction, the plan will be what it claims to be. Suppose it be asked of them to bestow assistance to the extent, say, of one dollar each. And suppose the dollar be not even a contribution or donation, but that they receive in return the proposed vouchers or certificates in the amount they remit, these vouchers to be good for purchases, by mail or otherwise, as soon as the institution throws open its doors.

This certainly will fall within the ability of a great number. The sum so obtained may be anywhere from $500,000 to $2,000,000.

This would then furnish the sufficient initi-

atory capital, especially if it exceed $500,000, which it probably will, judging from observation of the hunger with which millions in the reform ranks, to speak of no others, are looking and hoping for a solution.

It requires no vote of the people, no legislation, and no great outlay, to start the project. Following upon a due period of publicity and education, if the required proclamation be made, inviting the remittances of the people, as above suggested, and this announcement is signed by five or seven persons known for their eminent ability and trustworthiness, not many who approve the scheme and can do so will hesitate to intrust one dollar to the enterprise.

The response will be, moreover, generous for the reason that this enterprise conflicts with no other reform project whatever, but is a stimulant and essential assistant to every one of them that is good.

Since a starting-point must be made somewhere, since some one individual must make the first move, I will be pardoned for assuming to take that upon myself for the time being.

I propose, therefore, that a small society form itself in this city (Cincinnati, O.), calling itself

THE UNITED STATES INDUSTRIAL SOCIETY,

whose object shall be the advocacy of the plan, and assisting to put it into practice.

The qualification for membership to be that the person approves the plan and the premises upon which it is based, is of good character, and has a clear understanding of the subject.

At this writing (the plan having been expounded in the form of an address) this Society has already been inaugurated. I propose, further, to enlist such persons of eminent abilities as I can secure through correspondence or otherwise (submitting to them proofs or copies of the book), and who may reside elsewhere, and attach them to this Society. There may be anywhere from fifty to one hundred or more of such persons. Either number will suffice. Quality and unity of understanding are more essential than quantity.

When the proper time has arrived — in a year or more after the origin of the Society — the Society as thus constituted will arrange for the election of, say, five persons as a Board of Trustees and Ministers (or Administrators) and the election of a President (inclusive or additional) of, say,

THE UNITED STATES INDUSTRIAL COMPANY.

This nomination and election may be conducted by mail as to the persons not resident in this city, and be conducted, of course, by the Society and its officers who are resident

here. The detail as to this can safely rest with the Society.

Observe that the "Society" and the "Company" are distinct.

The President and Ministers elected and duly certified to and installed into office by the Society and its officers will then organize and make the "proclamation" above suggested, specifying the name and address of the Treasurer whom they or the President shall appoint.

Much detail must here be omitted as superfluous in regard to the exact procedure that shall take place and the exact form that the Administration shall take on. Since it will become national in a short time, it may be patterned after our political administration at Washington — of course only so far as that shall best serve the purpose, and not in imitation merely. This detail also to rest with the Society.

It should be understood that service in the "Company" is to be paid for at such rate as may be deemed proper, with the end in view to secure the very best executive ability for the service to be performed, other things being satisfactory.

The "Society" is to constitute for a limited time the legislature; in other words, conduct the legislative government of the "Company" until as provided otherwise farther along —

the Society being the *legislative* and the Company the *executive* branch of the institution.

What follows now is solely suggestive, and is subject to such modifications as the "Society" and the Administration (of the Company) may from time to time see fit, and is to hold good only as will appear self-evident.

The Administration hereupon will decide what city to make its headquarters, and the city in which to locate its first main store or emporium. Let us suppose the latter be Cincinnati. (It may be Boston or San Francisco, for that matter—it is only a question of expediency.) The President, let us say, appoints a manager for Cincinnati somewhat after the manner in which a postmaster is appointed, or he may be elected. This manager, in connection with the Administration, thereupon fixes upon a location for, say, a large department store, installing a new store or buying out an existing one. He will add a full line of groceries and provisions to the line of goods usually handled by department stores. Perhaps, also, several depots or warehouses will be established adjacent to the railroads, or as may serve the purpose best. At the same time, or very soon thereafter, there may be added a large wholesale house, perhaps adjoining the retail department store. The

money coming into the National Treasury in response to the "proclamation" will be used for the foregoing purposes so far as it may permit. The more fully it will permit the better it will be. It will be the general intention to make all transactions for cash; and with the capital—the money, rather—which is at the disposal of the Administration, there is no question as to its power to buy the goods it needs, and do so to the best advantage.

Every available expedient for the purpose of first rooting firmly its existence in the business world must be adopted, notwithstanding the subsequent character and purposes of the institution. In fact, for the express purpose of causing it to acquire the power to effect its future purpose must this be done. Therefore, in consonance with the elements of practicality previously pointed out as essential, it must not in its very first moment depart from the ordinary methods of doing business. Until the doors are first thrown open it will proceed very much the same as if it were a private firm starting into business.

Contemplating the issuance of vouchers or certificates, it must first establish itself—its credit, as it were—before it can expect these vouchers to be accepted, in the same way as a private firm must first become established before its check will be currently accepted.

Being once established it can do much; failing to establish itself it can do nothing.

Although current United States money is not suitable to our subsequent purpose, it is of the highest importance to realize its serviceableness in effecting the *initiatory steps* of the "Company," which service can *not* be rendered by any other instrument. After this is accomplished its further use will be discontinued, except so far as we reserve a certain contingent fund, like a fire-extinguisher, for any contingency that may arise.

There is an especial reason, also, for concentrating our activities upon one precise locality until thoroughly and irremovably established there upon a comprehensive scale. That will give us vastly more strength and effectiveness, and influence the whole country for good far more, than if we were, for example, to commence a small store in ten or twenty different places.

Comprehensiveness must first take shape in variety and line of goods rather than area of territory. Next, in thoroughly covering a certain locality before scattering itself over the entire country. This so far only as relates to its *aggressive* activities. So far as relates to the *spontaneous* demand from other localities for the service of the "Company," it will, of course, answer it as soon as possible.

At the very outset the Administration will

have executed vouchers or certificates of various denominations, something, for example, like this:

Industrial Certificate.

This Certifies that the Bearer is a Participating Member in

THE UNITED STATES INDUSTRIAL CO.

to the extent of

ONE DOLLAR,

to which amount he is entitled to goods or services upon demand, and tender hereof.

LOWRY M. BLAIR, *Treas.*

Industrial Certificate.

The exact form or design and wording of the certificate will be determined upon later. Something to serve for fractional amounts can doubtless be devised. Their first use will be in sending them, in lieu of a credit upon our books, to the persons who have sent us remittances for the initial capital, and can at once be used by them in making purchases from us, or from any one who chooses to honor them — if they do not prefer to frame and preserve them as object-lessons of our past stupidity upon the money question.

The initial branch (at Cincinnati, for example) being then duly installed and a complete line of goods put in, it throws open its doors for business. It is officered and the business administered in the same general manner as a private business house. Its ser-

vice will be fully as good or better, its prices as low and lower, as those of any house in the city.

Its first economy is in economical administration: in being able to buy for cash and in sufficient volume, thus obtaining the very lowest prices; in being free from any interest in securing and maintaining its capital; in being free from the initial loss of a private institution involved in long-drawn-out preparations, and especially in waiting for its trade or custom to assume a paying volume, during which time large expense goes merrily on; and in being free of the necessity of making a large profit or interest upon its investment—which interest alone, on the one million, say, initial capital, would be $50,000 to $60,000 the first year. The saving of interest upon its capital will be enormous in time. Spite of the immense capital which the certificates in circulation, or, in other words, the vast stock of goods in all its branches, will soon represent; spite of the great wealth in Land, Buildings, and Material Instruments of Production which the Company accumulates for the purposes of its existence, not one cent of it pays any interest.

It is clear that with all these economies assured to its customers, and its character essentially such that its statements as to quality and nature of goods, and as to relative lowness of price, would be unquestioningly ac-

cepted, the volume of business would quickly assume proportions way beyond that of any house in the city.

Witness in your imagination the gratification every one will feel in dealing with this house: no deception or misrepresentation, and no occasion or temptation for any; no dickering about price on the customer's part, no attempt on the salesman's part to sell to you what you do not want; every facility present for the speedy, accurate, and satisfactory accomplishment of your purchase.

Very soon its variety of goods in any particular line which it handles will comprehend everything in the market. Spending hours and days searching from store to store as now will be unnecessary. If it is not in our store it is practically nowhere. The public will quickly learn this, and in no very long time "all roads will lead to Rome." Here will begin its first evil effect—the emancipation of the shopping woman who doesn't want to be emancipated.

The establishment will not assume to dictate to purchasers, either individually or collectively. It will sell you dross or it will sell you gold, in either case telling you the exact truth. It will handle cheap goods and expensive goods, poor goods and fine goods. It will sell you a pair of overalls or the outfit of a Beau Brummel; a bauble or a treasure. The goods or styles it shall handle will be

wholly dependent upon whether the public or any one wants them.

Aside from its local business, it will certainly have a vast mail business, wholesale and retail. Furthermore, it will transact a large business, if it wishes or needs to, in goods it does not at once carry in stock. For example, if, in the beginning, it does not handle plows or buggies or pumps or paint, and receives an order for such, it can have the organization and facilities to purchase the required article from the manufacturer and ship it to its customer.

Concern is to be felt for fear it cannot grow fast enough to satisfy the clamorous demand for its services and fill the orders which roll in, rather than any concern about it not securing business enough. And this is said in the utmost *seriousness*.

Long before it assumes the mammoth proportions alluded to, the Company will have begun to use its certificates. Wherever it can do so, in whole or any part, it uses these certificates in the purchase of its supplies. Upon being fairly established, with a sufficient reserve of United States money (which needn't be relatively very large), and enjoying a credit strength, as it is called commercially, beyond that of any large concern in the city, its orders will be solicited by many manufacturers throughout the country. In even its early stages it will doubtless be al-

ready enabled to purchase many goods from manufacturers in this locality, and render its certificates to them in return. Here, then, is the point at which its certificate begins to exert an influence.

It is not forgotten that many times, in the beginning, the tender of its certificates will be refused acceptance on the part of manufacturers. In consequence the Company will frequently make its purchases elsewhere, and soon manufacturers will observe that the houses which are accepting them are doing a good business in consequence of the addition of our orders to those otherwise received, and that those not accepting them are languishing for want of sufficient volume of business to keep their factories on full time and in full force. We can go on doing business with United States money as long as we need to. And, by reason of our extensive variety of goods and extensive denominations of transactions—from that of a paper of pins up through wholesale quantities to car-loads or train-loads, if necessary—by reason of this there will be hundreds of occasions where a mere credit upon our books will serve the purpose of cash transactions (without the requisite feature of money as now), because the person or house receiving the credit can at once be supplied his or their wants in return out of our establishment, its branches or depots. And largely this will be preferred by the other

party because our prices are lower than he can buy the same goods for elsewhere. Observe throughout the element of self-interest everywhere serving in our support. This is what makes the institution automatic.

Now, returning to the most crucial test of our institution, namely, the initial introduction of the certificate into the business world, let us see how surely it will stand it. Remembering that we have in actual existence and active operation a large department store *plus food departments* or branches—namely, Groceries and Provisions—we approach a manufacturer to make a purchase of him. We ascertain that the prices he offers are satisfactory. Suppose, now, we say to him as follows: "We wish to make an order for $200 worth of your goods. You are buying some goods, no matter to how small an extent, which we can furnish you. If you want any such now, let us furnish them to you in part payment. If not, well and good. Furthermore, you are paying out in your pay-roll weekly, say, $500. Your employees spend at least $400 of this within a week after receiving it. They already spend, perhaps, $200 of it at our store or stores. Now, you deliver to us our order for $200, and we will credit you that sum upon our books. Then upon your very next pay-day you make drafts upon us for one, two, or five dollars each, payable to such of your workmen or office force

as prefer them; and these employees can at once come to our store with them and spend them for clothes, furniture, notions, groceries, or anything we have, and we will receive them at face-value. But that's too much annoyance to you, to have to make out so many drafts. Instead of that we will give you *our* drafts upon *ourselves*, payable to bearer, in the denominations named, and you pass these to your employees instead, without even the trouble to you of having to indorse each one. These drafts of ours, as you will observe by this one I have here, do not bear the usual phraseology of ordinary sight-drafts, but, nevertheless, embody the *essence* of a sight-draft. More important than this, however, they additionally confer 'participating membership' upon the bearer, as you will observe, which is valuable in this way: that, when we deem it advisable — which will, perhaps, be very soon, our volume of business is becoming so great — we shall be obliged to limit our sales — in other words, the service of our Company — to participating members. That will compel persons who cannot tender our certificates to make their purchases elsewhere; and inasmuch as our services are so much better and our prices lower than elsewhere, this obliges said non-member to pay more for the goods he buys than if bought at our store. To make you entirely safe, we agree that if, when pay-day is past, you should have any

of the certificates left over, or any of your employees should be unable to find what he wants at our store to his entire satisfaction—we agree that you and he, or you for him, may notify our office, and we will at once come here and take up these certificates with United States money. This latter provision holds good, of course, only where we specifically make it; but, virtually, it is our general custom until such time as we see fit to discontinue it, which discontinuance shall, of course, not take effect in a manner that would dishonor any obligation we are under.

"You observe that in doing business with us in this way you suffer no loss or inconvenience whatever. In fact, you get business which, if you refuse, we shall endeavor to place elsewhere. You further get the advantage of a cash transaction, and avoid all risk as to payment, were there any, as well as avoid tying up so much of your capital for thirty, sixty, or ninety days, as would otherwise be the case. Furthermore, you put yourself in position to do, ultimately, a large business with us, amounting to perhaps thousands of dollars a month. In such case the advantage would be very great to you of doing this business with so much more capital at your ready command in consequence of the transactions all being cash, or requiring so much less capital on your part—whichever way you choose to put it—and the further relief from

all the risk and depreciation of time transactions. Were you to do, for example, $500 of business with us weekly, it would amount to $25,000 worth in a year, virtually accomplished, on your part, with $500 of active capital. You would thus turn that $500 capital fifty-two times in a year."

This in substance would be the proposition made. Can any one conversant with inside business affairs seriously say that this proposition would not be accepted to almost any degree necessary to our purpose? It isn't probable that we would have to quit business for lack of sufficient success in this direction.

Remember it does not follow that because we cannot at once obtain absolutely everything we wish we should not, therefore, handle whatever we properly *can* obtain.

As will appear upon reflection, there is no reason why we cannot in time engage in the manufacture, on our own part, of anything which we cannot otherwise secure: which the present manufacturer refuses to sell to us on any terms; which is costing us too much; or, ultimately, in the manufacture of which wrongful labor or other conditions prevail which we can successfully remedy by engaging in it ourselves either in the usual way or by organizing a coöperative plant, furnishing or securing the required executive talent, and lending our credit or capital (without interest). The mere suggestion here reveals limitless

possibilities for good, which in due time and rapid order — as compared with the snail's progress of to-day — we can accomplish.

A merely parenthetic suggestion for example: In Boston, for more than two years, effort and agitation have been had to bring the city of Boston to go into the coal business, so as to relieve the poor, especially, who must buy in such small lots, from the extreme cost, if not extortion, of buying in that way. If any private person should have gone into that project, instead of the city, would any one have objected? See the effort it takes to accomplish — no, not to accomplish, but rather to fail in accomplishing, through legislation — so moderate a project as that! Now suppose that three winters ago, when that proposition originated, this Company had existed in Boston, and were, say, a year or two old (so it would have the necessary capital): would it not at once have gone into it, and the people have risen and called it blessed? Not a cent would it lose by doing it; strictly business, you observe — no philanthropy, so called. The following winter a similar situation prevailed in Cincinnati as previously in Boston.

When now the Company has its initial business established, and has developed adequate provisions for the purpose, it will receive farm products of every kind, and issue to the farmer certificates for the same, in the same

manner as to the manufacturer for manufactured product. In time it can, for example, arrange with a farmer to take his entire product, paying him in certificates or credit upon our books, which in turn the farmer will use making purchases of us. Thus the transaction becomes practically an exchange pure and simple, which is the fundamental element of true coöperation, a full and complete application of which is the next industrial stage before us, and into which this institution will gradually evolve. We shall arrange or contract with farmers individually, or with any group, association, or coöperative institution of them. It can be seen how advantageous it will be to a farmer when, for example, the time has come that, by previous arrangement of some kind, we agree to take his entire product. His market is thus assured at once; he obtains more time to apply to increasing the amount of his product, wastes no time seeking buyers. He, like the manufacturer, will cease to "walk the floor" and "lay awake nights," as of yore, out of concern for the morrow.

In due time the Cincinnati department will establish branches in various parts of the city, either by installing new stores or buying out existing ones. In many cases the previous proprietor or manager will be continued in charge. In time there will be a branch in perhaps every ward of the city and suburbs, including the towns across the river. At each

of these branches the stock will comprise all things which people usually carry away at once, and additionally a complete line of samples from which the force in charge can take an order of any description and transmit it to headquarters, from whence it will be delivered to the home of the purchaser the same as any large house does now. The housewife out in the suburbs, no matter how remote, need go but a small distance to our branch, and there will find, by means of samples, the entire market of the country at her command. She can buy a can of corn to a car-load of potatoes, a spool of thread to an entire bridal outfit, a jews'-harp to a piano. She can order the entire furnishing of a house from cellar to garret, with barely an occasion to go beyond the branch establishment.

Many small economies must become apparent now. For example, consider the economy of our delivery system. All orders for delivery from the entire district are concentrated under one department for the purpose. They are arranged like the post-office arranges letters, and the deliveries made in the same systematic way. Under present arrangements we discover the separate delivery wagons of five to ten different houses in one square in one day, all of which might have been served by one wagon were the business all of one house. As Professor Ely points out in re-

gard to the milk business: instead of having five to ten milk wagons serve one block, and each separate wagon required to traverse nearly the whole city, we can, upon going into the milk business and successfully absorbing the household trade of the city, deliver milk like letters are delivered, each wagon having its particular district. What a vast duplication of labor will thus be avoided, the economy thereof accruing to the Company, and therefore to the people in common!

When the time arrives we will go into an adjacent town — say, for example, Lebanon, O. — and there establish a branch. Suppose we buy suitable land alongside the railroad, and erect a building upon it; place a manager in charge the same as now a postmaster is appointed, organizing the force from among the resident people so far as the qualifications are present; and put in a stock of goods plus a full line of samples. Everything now sold in Lebanon not only, but in Cincinnati or New York, will be on sale there in due time. If necessary, in the beginning, the Administration, through its Department of Promotion, will take the necessary steps to acquaint the farmers and community adjacent of the presence of the "Company" and its methods and objects, the same as a private firm would advertise itself if it opened a branch in the town. Besides being a selling or delivery branch, it would be also a receiv-

ing depot. Whatever farmer or producer in that section felt agreeable to doing so could bring his product at time or times and receive certificates for the same. He could turn about and spend a part of them, and, if he wished, deposit the remainder, the same as money, with our Treasury Department, which would have a branch there for that purpose. He could draw upon that deposit in any manner, the same as he would draw upon his deposit in the bank or upon the treasury of his own firm.

The management at Lebanon would be in constant intercommunication with the Administration, making, daily, all necessary reports and requisitions for supplies, and receiving, daily, instructions of every kind, including directions where and in what quantities to ship the products, etc., which it receives.

This example of what the institution does in one town illustrates what it will do ultimately in every part of the country. In a short time petitions from all parts of the country will come in, and, as it finds itself able, it sends a member of its corps to any required place, organizes a branch there, furnishes the stock and capital, and sets it going.

So far as it wishes to, or finds necessary, it may buy or erect any manner of institution; it may operate any kind of manufactory, farm, or enterprise it sees fit; it may buy land for any proper purpose; on land

in the city and suburbs it may erect homes—in fact, may establish entire subdivisions or villages; it may establish Departments of Insurance, Pharmacy, Medicine, Surgery, and Nursing. In short, it may establish and operate any manner of institution: of Manufacturing, of Education, of Recreation, of Health; may ultimately build and operate Steamboats, Railroads, Telegraphs, Express Lines, Street-railways, Gas, Electric, and Water Works, so far as the governmental machinery is too slow in the matter.

In every direction whatsoever, services or goods of the Company are obtainable with certificates, finally *only* with certificates. As the circulation of its certificates (or bookkeeping and bookkeeping substitutes) expands, its transactions and services expand to keep pace with it. Its service *can* so expand, because to the extent of the increased circulation it acquires the increased wealth to perform the expansion. As we grow so our facilities grow to supply the manufacturer his supplies and raw material, and thus in turn he will accept a proportionately larger amount of certificates, because with them he can buy his supplies of us.

So far as is expedient and necessary to its office, it may lend its credit and capital (furnish certificates and stock) to any person or group, and when so doing neither ask nor receive interest. This under regulations to be provided.

VIII

"BETTER THAN MONEY"

SPEAKING of Consumption in the sense of purchasing power, it is the prime purpose of this institution to restore the balance between Consumption and Production, without which balance there can be no industrial order. This to be accomplished by the new system of Distribution which the institution represents, and by means of its particular certificates or credits.

Production and Consumption are analogous to the two sides or pans of a counter scale, Distribution being the cross-beam connecting the two, with this difference: the cross-beam is so constructed that, by means of a jointed mechanism at the center, the two pans of the scale move up or down in like direction and exactly like degree to each other, instead of in opposite directions. To avoid any sort of trouble in the industrial system the balance between the two pans must be accurately maintained. So far as they are out of bal-

ance, so far will there continue to be trouble in the industrial system. No such balance, or any balance whatever, can be secured by any methods or arrangements now in vogue.

The United States Industrial Company is the required arrangement, and its certificate the device that will bring about the balance. The certificate is the mechanism at the center. As Production goes up or down, it will, by means of the power exerted through the mechanism at the center (the certificate), compel Consumption (purchasing power) to go up or down to like degree. As much as is produced will be consumed, as much as we want to consume will be produced.

This is brought about in this way: There are services, labor, productive power, manufacturing power, of every kind and in vast quantity, ready at hand to do and to produce, if only it could be sold. It is proposed that The United States Industrial Company start it a-going; in plain words, *buy it.* If it buys it, how will it sell it? By paying for it in certificates, the very issue of which creates the market or sale for the services or goods we have bought. We in no manner pay them out except for goods, in no manner receive them back except for goods. The limited degree with which we use United States money in the beginning does not alter this, for that money is for the express purpose of being

transformed into goods. Thus behind every certificate issued there is a *real* commodity with which to redeem it — not the representative merely, or a pile of gold and silver which we cannot eat or wear.

The certificate will buy back precisely the equivalent goods or service originally rendered us for the certificate, minus the trifling cost of administering and operating the Company; thus a proper balance takes place. There can be no over-production or under-consumption; there can be no one idle who can produce something or render any kind of useful service. He is free to produce at his will, and we can freely accept it, subject only to provisions which guide Production along the line of goods which are wanted, which are salable, and subject to the market price for like goods, as near as can be determined. This market price affects the *selling* price as well as the buying price, and thus, no matter how low our buying price or productive cost is, the selling price is equally low in proportion. It is not the *amount* of either price in itself which concerns us, but the *proportion* of the one to the other.

Furthermore, it does not matter ultimately how much or little any one produces. If a farmer or manufacturer, or producer of any kind, fetches to us one hundred dollars', one thousand dollars', or one hundred thousand dollars' worth it does not matter at all, so it

is salable; we can safely and complacently accept it, for by the very act of his accepting the certificates to that amount he engages to buy back exactly that same amount. To the extent that he *produces* he thus engages to *consume* from our store.

It doesn't matter whether he spends it at once with us or at intervals; whether at one branch or another; whether for one commodity or another. At some time, somewhere, the certificate comes back to us with none the less certainty, and virtually we simply carry or store his goods for him until he is ready to call for them, and he pays the expense of storage, of the exchange of them for others of equivalent value, and of their distribution from and to him.

Without any change of domicile or occupation, without friction, disturbance, or hardship, this institution opens a way for every one to sell his or her services or product at a better *net* price than possible any other way at present. This applies alike to the now unemployed or employed laborer, mechanic, or artisan; to the farmer, the manufacturer, the physician, the teacher, the scientist, the actor, artist, musician—the professional of every kind, the producer of every kind.

It is evident now that the certificate has a function or office to perform peculiarly its own. No money now in use—in fact, nothing uttered by any other source than the Com-

pany itself — will "do the business." Furthermore, the things behind the certificate are substantial, useful, and real, not fictitious or formal. Not a certificate issues but it is based on something real. However great the volume it matters not. If any one produce ten millions' worth of goods, were such a thing possible, and chose to hoard or lock up the certificates, he could do so to his heart's content. *We* have his goods, the real wealth, to use as capital in our business; *he* has a pile of paper which he can neither eat, wear, sell, nor lend — for who will need to borrow it?

The certificate is, therefore, not only absolutely indispensable to our institution, but is additionally ten thousand times "better than money."

It is well to point out here that between a certificate and a credit upon our books there is as little difference as between a bank-check and the credit in the bank against which the check is drawn. *Both are forms of "Cash."*

Therefore credits, especially in larger sums, can be made transferable the same as certificates.

There may arise the question whether our circulation in the form of certificates will be subject to tax because equivalent to money. It is doubtful whether any statute can be twisted to do this, and especially doubtful

that the "Company" will sit supinely and not defend itself. In the first place, the Company is a mutual and beneficial association, an institution not for private profit, on which score it is entitled under law to privileges and immunities that are really not essential to it; secondly, its certificates do not claim to be money — certainly not "legal tender" — and if their instrumentality and serviceableness are a vast benefit to the people, *and are not for private profit*, as bank-notes are, then to tax them like State bank-notes would be an absurdity very difficult to effect, and, if effected, would assuredly arouse the country's protest and the repeal of the law.

But this is no serious problem even at the worst. The Company's existence is not materially hindered by having to pay 10 per cent. tax on its circulation. In such event the use of credits instead of certificates would be especially promoted; all large transactions would require but a modicum of certificates for making occasional balances; the great volume of business between the hundreds and ultimately thousands of branches would be largely mere bookkeeping, with occasionally a balance closed by certificates. Thus five millions in certificates would serve for fifty to a hundred millions of business. The constant use of certificates would be largely confined to retail transactions. Here they will be received and paid out time and time

again, each dollar circulating five to twenty successive times in the course of a year.

Altogether, therefore, a 10 per cent. tax upon our *circulation* would be perhaps less than 1 per cent. on our total *volume of business*. We can well afford to pay 1 per cent., if we must, for the sake of the saving of 10 to 25 per cent. on our total volume of business.

It should not be forgotten that the transactions conducted by means of credits instead of certificates will be essentially cash transactions. A vast amount of business can be so conducted, and will be, so far as possible. Where not feasible, certificates will of course be used.

Again, the utmost use of certificates would make the circulation perhaps $50 to $100 per capita, while the volume of business, correspondingly, would be not less than $500 per capita. Hence with an out-and-out cash business our circulation would cost but 1 to 2 per cent.; and if credits are used where convenient, but half as much.

Finally, our certificates are free from the popular objection to any form of money which issues from a multitude of sources, such as State bank-notes. Though we may have ten thousand branches, no branch issues its own certificates, but uses those uttered by the National Treasury of the Company. There is, therefore, a uniformity of certificate throughout the country. Almost needless to add, there

can be no *expansion* or *contraction*, so called, of currency; for the certificate is merely in essence a form of bookkeeping, and there clearly can be no expansion or contraction of bookkeeping.

IX

PER CAPITA—REAL AND FICTITIOUS

IT will be interesting to observe the influence of The United States Industrial Company upon per-capita wealth. The per capita is at present represented as being about $1100, figuring 65,000,000 people and $72,000,000,000. But this isn't a substantial truth. We have observed that $55,000,000,000 of this is alone possessed by the small fraction of 250,000 people. Substantially it leaves but $17,000,000,000 for the remaining 64,750,000 people (and this includes well-to-do merchants and farmers).

Substantially, then, the per capita is but $263.

Of the interest burden, which is now $3,000,000,000 annually, we only pay $2,200,000,000, defaulting upon the balance for lack of anything to pay it with. In not very long time this will be largely saved to the people by this Company, and ultimately entirely. Long before all the people coöperate or participate under this institution, to those who *do* participate will be saved their proportion of

this $2,200,000,000 interest—namely, about $34 per annum each.

Of the cost of distribution, commercially termed expense and profit or margin, it is more than safe to say that half of this will be saved to the participators within one or two years after its establishment. This one half will amount to certainly not less than $3,000,000,000 annually; and under the prosperous condition and stimulated production that will ensue during the next ten years it would average perhaps $10,000,000,000 or more annually, if figured at the rate of distributive cost now prevailing. However, figuring but $3,250,000,000, it amounts to $50 per capita per year.

Together, these two items alone are $84 per year; in ten years $840 per capita, or $4200 per family of five. It should be observed particularly that this saving is actual. It is retained to the people and *not* paid out, in profit or interest, to concentrate itself in other hands than their own, for which they get no goods in return. It is wealth in their possession, to use or consume. It is equivalent to so much increase of "purchasing power." It gives to each family, as it were, an average increased income of $420 per year.

Contemplate, for the pleasure of it—for its possibility is quite real—the per capita of ten years hence. In consequence of the operations of this institution and the elimination

of wastes in consequence of it virtually making everybody a producer for his own use and consumption, it will finally remove every barrier to free and unlimited production — it will bring about the employment of every man in the country. It will open productive occupation for millions now in the distributive division. It will thus cause the rate of "increase of wealth," which in the past ten years was $22,000,000,000, to leap to perhaps three times, yes, five times, if it weren't that we shall consume so much of it in consequence of the universal poverty now prevailing. Instead of there being $72,000,000,000 of wealth and only $17,000,000,000 of it in the hands of the people, as now, there will then be $150,000,000,000 or more, and *all* of it distributed among the people. Thus the substantial per-capita wealth will advance from $263 to at least $2000. Production will not cease accelerating until, so to speak, every family in the land has a comfortable home ("with a bath-room on the second floor"); until every farmer has a "horse and buggy," and enjoys all the amenities of our civilization; until the last "child" under twenty-one shall be taken out of the factory. Then Production will begin to adjust itself to simply the daily needs of the people, and to keeping the fabric of our wealth in repair. The real era of social development will then have set in.

X

LABOR AND WAGE QUESTION

WE will now regard the saving to the people in another direction — that of the reduction in retail selling prices, and the consequent increase of purchasing power thus imparted to all wages — presuming, for the time being, the amount of wages to remain as they are.

The reduction at the very beginning of the Company certainly cannot average less than 10 per cent., and in a very short time go to 15, 20, and 25 per cent., and as to some few articles 30 to 50 per cent.; but the latter is not average. Now a reduction in prices of 10 per cent. is not an increase of the purchasing power of wages of only 10 per cent., but of $11\frac{1}{9}$ per cent. A reduction of 15 per cent. is an increase of nearly 18 per cent.; of 20 per cent. is an increase of 25 per cent.; of 25 per cent. an increase of $33\frac{1}{3}$ per cent. It is quite reasonable to look for an increase in purchasing power of wages of 25 per cent.

in one to two years. Now, if a man get $12 per week, what is the difference between his getting 25 per cent. more wages — namely, $15 per week — or the wages remaining $12 and being able to buy 25 per cent. greater quantity of goods? In either case his wages are substantially 25 per cent. more. In this way will wages be raised as a whole — namely, by increasing their purchasing power.

We cannot raise them by beginning at the other end — namely, by raising the *amount* of wages arbitrarily. It is not practicable, on the whole. We cannot in the beginning dictate the amount of wages. We cannot, so far as we pay them in our own establishments or otherwise, pay more than the prevailing rate at the time; for so soon as we do we but open the door for other houses, who pay *less* wages, to compete with us, and *the Company must keep beyond competition.*

An advance of wages, to be real, must take place more or less uniformly throughout the country: they cannot be raised in one spot and not another; they must be raised as a whole. Again, wages cannot be raised and labor hours shortened to any comprehensive extent or substantial degree under any present condition and arrangements, nor so long as there remains a body of unemployed to compete with each other for employment.

(In passing it is imperative to reflect upon the monstrous social injustice, not to say un-

measured *danger*, inhering in the policy and teachings of Capitalism, that the existence of a more or less large body of unemployed must be perpetuated.)

All the assumed advance that has been made in the matter of wages and hours has been, at best, but partial, and is otherwise rather fictitious. The purchasing power, taken as a whole, is not greater, relative to productive cost, nor seldom becomes greater in a limited way. This for the reason that, the expense of distribution not being lessened, the advance in wages is accompanied by advance in productive cost (even if it does not at once show in the employers' price-list), and thus advance in retail price. Is it not really so, that all the heroic struggles of labor have, after all, resulted in no comprehensive advance at all in proportion to the efforts and energies expended? The relativity of purchasing power to productive cost is the sole test The proportion of distributive expense which has been eliminated is the sole advance.

If, for example, every employer in the country should suddenly advance wages 100 per cent. (if it were at all practicable), what would be gained? Would not prices have to be advanced to equal degree? The doubled wages would thus buy no whit more than it did before.

These remarks, that wages cannot be so

raised, are to be taken in a *general* sense and applying to labor *as a whole.*

As to particular and limited application, as to *equalizing* wages — that is to say, where a particular avocation or group is receiving so low a rate as to be palpably unjust — the institution will most certainly exert itself to remedy it. The point is that it cannot, just at the outset, attempt any *wholesale* advance of the rate of wages or the price of goods it buys; that so long as there exists substantial inimical competition the institution must not pay more wages than its competitors, when by so doing it would endanger its own life.

It will not be long, however, before it will have the power to do this. Where the occasion requires and the lessened cost of distribution permits, it may and will raise the rate of wages it pays, instead of reducing its selling price of the article or goods concerned. This is the manner in which it will *equalize* wages, as we might call it (at the points where unjust conditions prevail), as distinguished from advancing wages *as a whole* (accomplished through its universal increase of purchasing power). And this is an extremely modest statement, for in a little while it will find opportunities where it can both raise wages and reduce the selling price at the same time.

XI

MEASURES OF SAFETY AND EVOLUTION

IN detailing the precise formative steps we got as far as the initial Administration. Let us now proceed somewhat farther.

As will doubtless be perceived, it is altogether unnecessary to take any vote of the people in advance, or to even organize a Society of large dimensions. The initial Society of one to two hundred members is quite adequate.

I suggest, therefore, that The United States Industrial *Society* alluded to conduct the legislative government of the *Company* for three months, six months, or one year, as may be deemed exped ent.

In the meantime other societies of the same name and purpose in all parts of the country may, and doubtless will, be organized, and arrangements will soon be had to encourage such. At the end of not more than, say, one year it should be provided that all these societies be federated, and that each local society or district group of societies elect a

representative, the representatives so elected to constitute the "Industrial Congress," which shall then take over the legislative government of the Company and the entire Institution, standing in the same relation to this industrial institution as the House of Representatives does to the country politically. Every improvement possible should of course be embodied.

If it is thought necessary, a Constitutional Convention may first be had, but perhaps the first Industrial Congress can serve just as well. It is a question whether it will not be wisest to avoid anything like a long constitution, which so often is only a stupid barrier to progress. If the people want to vote, or do vote, to do or undo a given thing, every facility should be open to that end. The people are superior to a constitution. So, if a constitution is had, it should be expressly such that it is always subordinate to any properly expressed will of the people, and, in fact, provide for such an expression at any time upon any subject.

What may be good to-day may no longer be good to-morrow; then away with it instantly. Witness the deplorable political handicaps we suffer from. A long time ago, when everything was different from to-day, and none of the conditions of to-day could be foreseen, we made certain political shackles, locked them, and *threw the key away*. Whatever we make we should be able to unmake. Whatever shackles we now make, let us be sure to

retain the key, so that as soon as they are no longer adapted we can instantly unlock them and substitute others. Let us so frame our provisions that they will embody constant flexibility, developing and adapting themselves to changing needs and conditions so soon as change takes place, so that the generations to come will not be locked in, as our forefathers have locked us in, unwittingly. Our political shortcomings, our industrial distortion, and the existing peril with which our Republic is confronted would largely have been avoided had we in force the Initiative, Referendum, and Proportional Representation, constituting the safeguard of Liberty, the *key* alluded to.

It is understood that the Institution embody the principle of performing its service at cost. In the beginning, of course, it shall always make prices sufficient, so that the balance will surely fall on the safe side, plus the necessary margin or accumulation to furnish "sinews" for the most rapid expansion of the Institution consistent with safety and proper organization. Whenever the reserve is seen to exceed requisite purposes it will be reduced by wages being advanced, or hours of labor shortened, or prices reduced.

The one all-important provision which must be made is that the Institution embody irrevocably the principle of what may be termed

"ABSENCE OF OWNERSHIP."

The Company and all its wealth shall not be or ever become the property of any person or persons, or of any group, no matter how large. It shall be held in trust and administered in trust for no other ends, and in no other manner, than herein in general outlined. It shall be perpetual, and no power to sell or to convey the business or good-will, in whole or in any substantial part, shall be held or holdable by its administrators, trustees, or any one.

The United States Industrial Society, and afterward the Industrial Congress, shall be bound to this provision. They are the trustees, and the Administration administers for the trustees. The Administration, or any properly elected and endowed body of five, seven, or more persons, may be made the practical trustees, subject to the higher trust of the Industrial Congress. Provided, however, that when at any time the people of the United States express by affirmative majority vote — the vote of the whole people, including all men and women of the age of twenty-one years and over, and excluding foreigners not yet naturalized at the time — the desire that the Institution shall become theirs in common *practically* (which it already is *virtually*), and be administered by the Federal Government; and provided further that a three-fourths affirmative vote of the constituted voters of The United States Industrial Society so con-

sent, this Institution shall then be conveyed to the Federal Government without compensation, and for the sole agreed purpose on the Government's part to continue the Institution in the same general manner and for the same general ends it has hitherto been conducted. This vote may be taken whenever it is desired, and repeated any number of times until it carries.

These further requirements are essential: the Society, and in turn the Industrial Congress, shall positively embody in their laws the principles of the Initiative, the Referendum, the Imperative Mandate, Proportional Representation — so far as they can apply — Woman Suffrage, and the best form of Civil Service regulation.

It shall be a fundamental principle to provide for the fullest and freest expression of the members or people upon any subject, question, law, measure, or constitutional provision whatever, old or new, at any time.

Following is given, by way of suggestion, a

"DEFINITION OF MEMBERSHIP."

This Institution for industrial purposes is composed of two divisions, distinguished as

The United States Industrial *Society*
and
The United States Industrial *Company*.

There are thus two classes of membership — "political" and "participating."

Political Membership is membership in the Society. It bestows the franchise or right to vote equally upon all its members. The members of the Society control, by means of the ballot and the Industrial Congress, the affairs and conduct of the "Company."

The United States Industrial Company is the name applied to the executive or administrative division. It performs the practical work of Distribution and Production. The Company exists for the mutual exchange, through its organization, of products and services between "participating" members, to their mutual benefit, and such other purposes as may be determined upon from time to time.

Participating Membership has reference to the transactions of the "Company" as distinguished from those of the "Society." It is conferred by Industrial Certificates, varies in degree or extent, is transferable, but carries with it no vote. It bestows upon the participating member the right to the service and benefits of the "Company" to the extent of his certificates. The number or amount of such certificates he may hold is not limited. The certificates are transferable without limit or condition.

The participating member ceases membership when he transfers his certificates, thus transferring his membership to the transferee—or so much of it as he transfers; and again becomes a member when he again holds a certificate.

A participating member is thus a member of the "Company"; and the Company, thus composed of many members mutually benefited by economical exchange with one another, is practically a mutual and beneficial association.

The above may be placed upon the back of the Certificate.

XII

CONCLUSION

IT is not assumed that there will be no occasional hitch or obstacle to the progress of this enterprise, but surely the most serious that can reasonably be devised is insufficient to argue against putting this project into immediate operation.

Monopolies and trusts exist who may foolishly attempt to hamper us. These, together with Capitalism, may plot our overthrow and destruction; but Capitalism can only, at most, fret us for a time, and finally cause its own overthrow all the sooner. Any act, either secret or open, upon its part against us will simply serve to deprive it of the consideration it would otherwise receive at the hands of the general public. It is not the purpose of this movement to injure or destroy any individual or object, but to deal justly with each, to the end that the transition from this to a better state shall proceed gradually, smoothly, and without unhappiness to any one. It is to

build a new and better domicile as fast as it eliminates the old.

Hostility may be shown, also, by the railroad, express, telegraph, telephone, and such large corporations, in interfering with or secretly delaying our operations, or in other ways inflicting annoyance. As alluded to above, such can only revert upon themselves with redoubled injury.

Any opposition or persecution can only serve to strengthen our position in the end —in fact, at once.

Fully prepared in my mind to admit all sorts of hostile possibilities, I nevertheless prefer to regard them largely improbable. It is more likely that judgment and manhood will dictate coöperation with and in the operations of the Company, rather than hostility and obstruction. The humblest and the wisest, the poorest and the richest, will alike find only happiness and comfort in the new order, if they wish it so. The object of all alike is in the things which money will buy, and the surcease from misery which it is supposed to give, rather than in money *per se*. And if now we can obtain these things and happiness in fuller and truer measure than money ever could buy, we doubtless will not reject it because, forsooth, our fellow-men, too, are happy at nobody's expense.

The potentialities inherent in the institution are vast, and all for good. With industrial

order and prosperity made constant and permanent the impetus given to all the higher avocations and pursuits of life will be very great. It will stimulate and vastly assist all other good reforms that have been proposed; it causes them to be studied and considered, which is the best thing that can happen; it virtually becomes the vehicle or indirect instrument of their initiation. While a purely industrial institution *per se*, it is nevertheless a social movement of the largest proportions and highest good. Its influence upon our political affairs alone will be like the sunshine upon fog. Hundreds of knotty and abstruse questions will be solved by their entire elimination. The existence and operations of this institution will remove the political deadlock, and will be an object-lesson pointing out the wisdom of measures it is now impossible for the people to properly appreciate, the truth being so distorted and covered up by personal bias and private and corporate interests. The vast number of laws and three fourths the expense of the Government, together with the enormity of political corruption, are due to the present abominable commercial system. How little time and expense it requires, for example, to make the laws or provide the legislation for the postal service! How easily probable it is that this would be a hundredfold greater if the postal service were in

private hands for private profit! The same relativity will hold good as between the new industrial order and the present commercial system. The cost of government (federal, State, and municipal), which is now $900,000,000 annually, can be reduced by one fourth to one half if the people will have it so, and the saving applied to better purpose. The great debt of the nation, which has already been more than paid in interest, will be speedily paid off and looked upon as a nightmare of the past.

Leading out from Industrial, through Political, and into Social affairs, this movement will certainly cause the solution of all the present evils we are suffering under. And what will do that for America will do it for the civilized world.

As we set our minds to work perceiving the political influence of this institution, we can allow for a great deal and still believe with Tennyson:

"Yet I doubt not thro' the ages one increasing purpose runs,
And the thoughts of men are widened with the process of the suns."

And if we believe that, isn't it reasonable to believe in a near realization of the prophecy contained in these words of his:

"Till the war-drum throbb'd no longer, and the
battle-flags were furl'd
In the Parliament of man, the Federation of the
world.
There the common sense of most shall hold a fretful
realm in awe,
And the kindly earth shall slumber, lapt in uni-
versal Law"?

"Industrial order" is the open sesame to the "Parliament of man."

NOTHING
IS EVER SETTLED
UNTIL
SETTLED RIGHT.

POSTSCRIPT

BY THE AUTHOR

IN consequence of the unmerited disapprobation which is oftentimes hastily visited upon a person or idea merely because of the *name* Socialism, Populism, Anarchism, Nationalism, etc., in utter disregard of the *substance* and *merit* of the idea itself, I hope the reader will take heed and concern himself with the *merit* of the idea herein.

The proposition herein issues from no particular social or political ism, but even if it did its merit would depend entirely upon its substance and not upon a name. We stultify ourselves and disprove our claims to being an "intelligent" people by our prejudice and indifference to anything that happens to be a different idea or bear a different name from that in which we have been cradled. As if it were dangerous to follow truth because of a name; as if right by any name weren't the same right! Change the name, if need be, but hold to the substance.

* * * * * *

Let no one imagine that this plan pretends to be perfect in every detail, or that its promoters propose to discountenance any improvement that may from time to time be discovered. It should be endeavored to make this Industrial Institution reflect the universal sentiment of the people, whatever that may be, and not to impose upon them something they do not want or are not ripe for—the will of the people, freed from all extraneous or artificial restrictions, burdens, or obstacles; the free will of a "free" people.

The people can be trusted.

* * * * * *

The Society will be pleased to receive the brief comments of every reader, in order to learn what the general sentiment is with regard to the "plan"; especially whether the reader is *in favor of* or *opposed* to it. I hope every reader will, therefore, take occasion to write to them. In such event be particular to write "XXX" in the lower left corner of envelope, thus:

The United States Industrial Society,

CINCINNATI,

Ohio.

XXX

* * * * * *

Should any one who thinks he can be of especial service in promoting this institution desire to communicate with me individually I shall be glad to have him or her do so.

EDWARD WENNING.

Cincinnati, Ohio.

ADDRESS BY THE UNITED STATES INDUSTRIAL SOCIETY

To our Countrymen:

It is an axiom that "where there's a will there's a way." Reversely, where there's no will there's no way. We feel that this applies with peculiar force to the inauguration of this plan, and that, given the will, a way can easily be found.

It might be fairly said that a great deal of the evil condition under which we now suffer could have been removed ere this had the will of the people been less dormant and their perceptions of the logic of events more acute. The will is present, but it has not been positive enough. Can it be hoped that the preliminary work herein proposed will elicit the active support of the people?

It appears to us that this plan is surpassingly meritorious. While it conflicts with no dictum of justice, and is almost illimitable in its potentiality for good, it yet is so remarkably simple and practicable at the same time as to make us wonder why it was not thought

of before. True, some propositions have been made which are similar to this in part, or which appear somewhat like it on the surface; but they lack more or less of the essentials to a *complete* and *tranquil* solution which the present plan embodies.

The best plan in the world may fail, however, if not properly supported or conducted; and even the practical inauguration of this one may be much delayed if our people, as individuals, do not lend it the aid necessary to carry out the preliminaries which it is the object of this Society to conduct, or if they ignorantly heed the pharisaical and specious objections which are sure to be made.

We therefore ask each reader to render us all the assistance in his or her power to carry out our purposes — first, by causing the utmost sale of this book through recommending it wherever and whenever possible, and, second, by contributing to our treasury such funds as can be afforded.

Before the Proclamation (relating to the *Company*) suggested in the plan can be made it is necessary that a large circulation of the book be first had, and a large amount of educational and other work on the part of the Society be done. To this end it is suggested that such persons as can agreeably do so arrange to buy the book in quantities, and sell it among friends and acquaintances or from house to house in their respective localities.

A measure which we feel of special importance is that we establish an office — Promotion Office — and employ a well-qualified person to conduct the same. The correspondence that would ensue in the aggressive prosecution of our work would make this necessary. This officer would also then push the sale of the book and the dissemination of the idea it embodies in every possible way.

In order to assist us in doing this — the cost being entirely beyond the capacity of the active membership of the initial Society — we have provided a separate class of members, to be known as "contributory" members, who contribute monthly or periodically such sums as they may agree or see fit. Any person is therefore at liberty to become such a member by writing to the address below, inclosing a remittance and stating that he or she will remit 25 cents, or 50 cents, or $1, or more, per month. Those desiring to contribute 25 to 50 cents may remit $1 every four or two months for convenience. The funds so contributed will be under the control of this Society, and will be used to carry out its objects and conduct the necessary propaganda.

If there should result thus a membership of several thousand, contributing 25 cents to $1 per month for, say, a year or more, it will certainly be the means of a speedy inauguration of the "Company." The Promotion Office could then do a splendid work, and the

money spent would be a small price for the measureless benefit that will result and the time saved in arriving at the establishment of the "Company."

Doubtless the proposed "Industrial Congress" would order these contributions refunded, with certificates, in due time; but, of course, we cannot guarantee this.

We ask the hearty support of all who favor the proposition of the book, and their contributions by means of contributory membership.

Address:

THE U. S. INDUSTRAL SOCIETY,
CINCINNATI,
OHIO.

Office: No. 53 West Ninth St.

COPY.

THE U. S. INDUSTRIAL SOCIETY, Cincinnati, O.

In order to assist you in carrying out your aims, I desire to become a Contributory Member, and herewith enclose the sum of.....

It is my intention to remit to you, without further notice to me, the sum of..... *per* .....

I also agree to promptly remit..... *as contribution to the initial Capital of The U. S. Industrial Company, upon your proclamation calling for same—in return for which I am to receive Industrial Certificates to the same amount.*

Signature .....

.....

Upon filling out and sending the original (on next page), fill out this blank in the same way and retain it as your copy.

Cut this out along this line, with scissors or penknife.

ORIGINAL.

THE U. S. INDUSTRIAL SOCIETY, Cincinnati, O.

In order to assist you in carrying out your aims, I desire to become a Contributory Member, and herewith enclose the sum of.....

It is my intention to remit to you, without further notice to me, the sum of..... *per*.....

I also agree to promptly remit.....*as contribution to the initial Capital of The U. S. Industrial Company, upon your proclamation calling for same—in return for which I am to receive Industrial Certificates to the same amount.*

Signature.....

.....

Fill out and send this blank with your remittance, and fill out and retain the COPY as your memorandum.